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The Nation's Business

Canada Misses Boat

Another Big Exhibition is Passed By

Spurns Britain's Free Co-operation

Mr. Malcolm Should Take Over Work

FRESH from the triumphs of its display at the Advertising Exhibition held at the Olympia in London, the Empire Marketing Board went to Edinburgh, where the first Empire Exhibition to be held in Scotland has been showing. The Empire Marketing Board was represented there by a composite display of Empire food products, according to London papers.

Where was Canada? Again it failed to give the Empire Marketing Board so much as a New Brunswick potato, or jar of Ontario raspberries to put on display.

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AUSTRALIA and South Africa, we learn, showed dried and canned fruits. New Zealand had a special display of butter and cheese. Southern Rhodesia prepared a display of her choicest tobacco. (Incidentally every one of these items is produced in Canada.) The Gold Coast had a showing of cocoa; Cyprus exhibited brandy. The Ministry of Agriculture in Britain arranged a large display.

But as in the case of the great Advertising Exhibition at the Olympia, the Empire Marketing Board's display told nothing about Canada.

To the London show 20,000 retail merchants had been given invitations. The London Times ran a powerful leading article on the exhibition. Press publicity was enormous. People came by the thousands, worth-while people, attracted by the business-like character of its exhibits. In one forenoon alone, 25,000 people passed through, many of them expressed amazement at Canada's absence. The word went around that Canada was antagonistic to the Empire. After the show had been running two days, a leading Canadian in London scurried about town and got together a few Canadians whom he crowded into a corner far from the Empire Marketing Board exhibit.

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IT HAS been previously emphasized in these columns that the fault does not lie with the Empire Marketing Board, which has a million pounds a year to spend advertising Empire produce but cannot spend it to the advantage of any part of the Empire that spurns its requests for assistance. Canada was missing in these displays because Canada did not take the trouble to get a display ready. It scorned to spend even $500 and lost many times that in publicity.

At every successive exhibition in the British Isles, journalists ask why Canada is not represented in the displays of the Empire Marketing Board. The reply is always that Canada has the same opportunity and the same invitation as is extended to the other Dominions, but has failed to grasp the opportunity.

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THE question of the different Dominions and Colonies taking part in various exhibitions under the auspices of the Empire Marketing Board was discussed at the Imperial Conference last fall. It is stated that at that conference Premier King expressed himself as sympathetic toward Canadian co-operation and promised to consider the matter when he returned to Canada.

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THE first exhibition in which the Empire Marketing Board took part was the Grocers' Exhibition in September, 1926. Canada did not take part. It is said that Mr. Larkin, Canadian High Commissioner, declared that he had no money for the purpose.

The aid of Hon. L. C. M. Amery, colonial secretary, was enlisted by the Empire Marketing Board to bring Canada in and it is stated in London that Mr. Amery wrote a personal letter to Mr. Larkin asking him to place Canada behind the movement to promote the sale of Empire goods in London. Again Mr. Larkin is said to have replied that he had certain funds earmarked for agriculture and emigration propaganda and that he possibly could allocate a portion of these funds to the Marketing Board work but preferred to spend all his money in press advertising.

When further overtures were made to him, Mr. Larkin asked Ottawa for a special grant but apparently did not get it or did not press for it with sufficient earnestness.

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AS A result, exhibition has followed exhibition without the co-operation of Canada. Canada has put on displays under other auspices than those of the Empire Marketing Board. For instance, the fruit trades of Canada put up money which the Canadian Fruit Trade Commissioner used to put on a display at the Imperial Fruit Show. The Agricultural Trade Commissioner has arranged some exhibits at the Agricultural shows. But Can-

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BIG PULP DEAL BEING ARRANGED BY QUEBEC MILLS

Quebec Pulp and Paper Mills Will Change Hands Shortly

WHO ARE BUYERS?

Thought Possibly Price Bros. and Port Alfred May Become Interested in Transaction

From Our Own Correspondent.

MONTREAL.—The assets of the Quebec Pulp and Paper Mills are to be sold to new interests connected with the pulp and paper industry in this province. The company has received an offer for its properties which it is hardly likely will be turned down. Before the deal is consummated, though, several matters of major importance in the transaction have yet to be adjusted.

The Quebec Pulp and Paper Mills came into being about two years ago when the bondholders of the old Chicoutimi and Saguenay pulp companies acquired the properties. Its plants consist of two groundwood pulp mills, one at Chicoutimi and the other at Val Jalbert, with a total daily rated capacity of 500 tons of mechanical pulp.

But since its formation the company has not been particularly successful due to two factors, namely, the absence of any real market for mechanical pulp, and the lack of sufficient timber limits which would have allowed the company to enter the newsprint business. Thus the proposed sale may be regarded as a constructive move, especially in view of the fact that the present time would hardly be propitious for the company's expansion in the newsprint field.

Who Are The Purchasers?

Just what new interests are entering into the Quebec Pulp and Paper Mills picture has not been disclosed, but many are the conjectures and surmises being made by those with a knowledge of the situation. The most reasonable guess is that one of the paper companies already operating in the Saguenay district is the purchaser.

Price Brothers and the Port Alfred Pulp and Paper Corp., both operate their plants in this territory and therefore it is not unlikely that one, or both, of these companies may become interested in the Quebec Pulp and Paper Mills. Should the shareholders in the sale of the Quebec Pulp and Paper Mills receive new securities in which either of these large newsprint producers be interested, the value behind the shares of the Quebec Pulp and Paper Mills would be decidedly enhanced.

Questioned regarding the negotiations now in progress, A. Stewart McNichols, president of the Quebec Pulp and Paper Mills, said to The Financial Post that he would neither deny nor confirm the report of the propected sale. But from information obtained from authoritative sources there can be no doubt whatever that the negotiations leading to the sale of the property are far advanced and that provided certain major details are successfully arranged, the mills will shortly change hands.

RUMOR SPLIT IN STEEL COMMON

But Preferred Must Share When Melon is Sliced

Steel of Canada common and preferred have been selling at record high prices in the last several days, reaching 155 and 156 on August 18.

It is believed that a split in these stocks is contemplated by the directorate, although the stock market is utterly without official information on the point. It was stated quasi-officially a few months ago that, while the company had large cash reserves, these would be required for rehabilitation of plant and equipment.

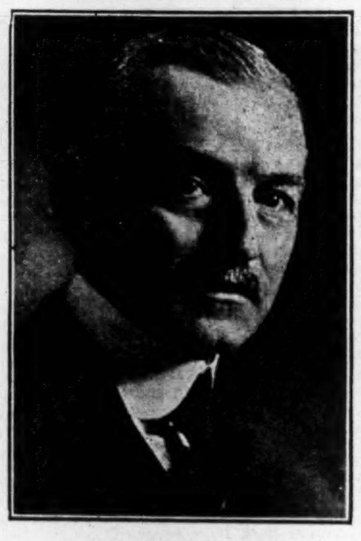
Steel of Canada preferred keeps pace with the common because the preferred participates equally with the common after the common gets 7 per cent., as at present. The preferred also has equal voting power. A split in stock, therefore, probably would involve an equal split in the preferred, with some rearrangement of the dividend requirements.

Montreal Water & Power to be Soon Expropriated

From Our Own Correspondent.

MONTREAL.—The city of Montreal is to expropriate the Montreal Water and Power Company, and in the meantime is continuing to operate the property. The city has already notified the company to name its arbitrator in the expropriation; within two weeks the city will name its arbitrator. The opinion is expressed that the expropriation proceedings should not take more than two months. The arbitrators will decide the fair value of the assets of the company and the price at which it will be acquired.

Heads Legaré



J. H. FORTIER,
President of P. T. Legaré Company, which will build new stores in the newer industrial areas of Quebec.

LEGARE COMPANY WILL OPEN STORES IN NEWER QUEBEC

Plans Expansion Into Lake St. John, Gatineau Areas

Expansion plans of P. T. Legaré Company, of Quebec, have brought this old established organization into the realm of investment finance. The Legaré organization was probably the first chain store organization in Canada. It has over 50 stores in operation now in addition to some 1,000 agencies. In the sale of some lines of goods, notably stoves, household furniture, musical instruments and farm implements, it has been the dominant factor in merchandising to the rural trade of Quebec for half a century. Lately it has been going into the industrial centres with its retail stores. It is further to facilitate this development that the company has undertaken new financing. Shortly after Labor Day, there will be offered by a Toronto investment house $1,000,000 of bonds of the company; Quebec investment houses will offer preferred shares at about the same time.

Go Into Newer Areas

With the money raised by the new financing, Legaré's will open stores in the new industrial areas of Quebec, the Lake St. John area, the Gatineau River district and points in the Eastern Townships where it is not represented. Some half million dollars will be spent in this way, it is stated.

Already the company operates stores throughout Quebec, being represented in Three Rivers, Sherbrooke, St. Hyacinthe, Rimouski, Valleyfield, Montlaurier, Riviére du Loup and two score other communities.

Its agencies cover every community in the province as well as the French-speaking areas of Eastern Ontario and Northern New Brunswick. It is a tradition in Quebec that wherever there is a church steeple there is a Legaré's agency next door. So

(Continued on page 12)

WALKER-G. & W. MERGER TALK IS MERELY GOSSIP

Revival of Rumor Follows Accident of Shares at Same Price

DIVIDEND EXPLAINED

Directors Chose Early Action As Means of Ending Uncertainty in Stock Market

With the stock of Gooderham & Worts and Hiram Walker, Ltd., moving virtually in unison on the Toronto stock exchange, the rumor has been revived that a merger of these two distillery properties is in the offing on the basis of share for share.

The fact is that it is merely a coincidence that the shares of the two distilleries at the moment are selling at approximately the same price. The Financial Post learns this from a source that has always proved reliable.

No Need to Merge

Whatever may be the future of these distillery properties, it is a fact that a merger never has been discussed at a board meeting. Informal conversations on the subject took place five months ago and again three months ago, but these never reached the stage of serious consideration.

These two companies are served by the same president. But with both companies being operated satisfactorily from the viewpoint of their respective directorates and with a traditional dissimilarity of market, there does not seem any purpose in effecting a merger under present conditions, according to well-informed authorities.

A quasi-official explanation of the Hiram Walker dividend declaration also has been forthcoming. It is understood that the declaration of a $2 dividend was a concession to a minority of board, which is conspicuous for its conservatism. And it was not thought desirable to begin payment of dividend in the last quarter of the fiscal year. For this reason, the dividend applies to the first quarter of the next fiscal year and will be paid December 15th to shareholders of record on November 30th. The fiscal year ends August 31st.

The reason that the action of the board was taken so far in advance of the actual payment, it is explained, was that the board, in the interests of shareholders, desired the uncertainty to be dispelled. The apparent effect of a declaration was to depress the price of the stock, the market having been disappointed first because the dividend was not larger and, second, because the payments would not be made so soon as was anticipated by a large number of holders.

T. Eaton Co. to Open Store in Niagara Falls

In accordance with its policy of expansion, by the opening of stores in smaller cities, the T. Eaton Co., Ltd., it has has been announced, will operate a store in Niagara Falls, Ont.

Eaton's not long ago entered Hamilton with the purchase of the Arcade Ltd. There have been rumors of opening in London, Ont., and Windsor, but nothing has been heard of these in recent weeks.

Victoria Guarantees Bonds of Company to Build Grain Elevator

Sir Henry Thornton Encourages Project Because C. N. Pays Toll to C. P. for Use of Government Elevators at Vancouver—To Use Car Ferries

Victoria, B. C., has ambitions to be a grain port—the grain port of the Pacific Coast. Two weeks ago the ratepayers of the city approved a bylaw which guarantees the bonds of a company to build an elevator. The elevator will cost $700,000 and $500,000 of the capital will be raised by the sale of the guaranteed 5 per cent. bonds.

The bins of this elevator will hold 1,000,000 bushels and the Victoria voters and the promoters think that the elevator can be filled and emptied 25 times a year.

At first blush it seems silly to build an elevator on an island to handle the export of grain grown on the prairies. Some day it is predicted that fat yields of wheat and other grains can be obtained from the interior of Vancouver island. But until that day comes, say opponents of Victoria's ambition, Victoria has as much use for a grain elevator as a steamship company has for a transfer warehouse on the prairies.

C. N. Promises Grain

The foregoing is the conclusion one might reach from study of the map and the grain routes. But a visit to Victoria evinces the arguments which apparently have swayed the majority of voters:

The only way that the Canadian National Railway can get grain into government elevators at Vancouver is by paying toll to the Canadian Pacific Railway—the switching and other charges total about $17 the car. Sir Henry Thornton, president of the Canadian National, says that he can take grain from the mainland to Nanaimo in car feries and roll it down to Victoria at from $3 to $4 the car. Thus there is a saving to the National Railways for the grain handled by it of from $12 to $13 the car. Sir Henry let it be known to Victoria that he hoped a grain elevator would be built there and promised daily to put several train loads of grain there during the season.

Victoria (continues the argument pro) is 60 or 70 miles south of Vancouver. Ships from Seattle and other Puget Sound ports pass Victoria, while it is a day's run to and from Vancouver. A great deal of grain shipments are in various quantities and grades. Ships with partial cargoes from American ports will stop at Victoria for additional thousands of bushels. And Victoria port charges are infinitesimal compared with the port charges at Vancouver.

Are Guarantees Proper

There were other arguments presented to the voters, but these were probably the soundest and most convincing reasons why Victoria could

(Continued on page 5)

Postpone Income Bond Negotiations

Negotiations in London between representatives of the Canadian National Railways and the holders of Canadian Northern Railway income charge debentures have been postponed to September. It is said, though, that good progress towards a settlement was reached.

London is hopeful that a satisfactory agreement can be reached that will protect the income debenture holders without adding unduly to the fixed charges of the railway.

McKINNON THIS YEAR EXPECTED TO DO BETTER

Earnings on Common Probably Will Be $2 the Share

McKinnon Industries fiscal year, which ends September 30th, is expected to have been a considerable improvement over the fiscal ended September 30, 1926, when the net profits were $148,982, after payment of preferred dividend. It is predicted that the earnings on the common will be about $2 the share for 1927.

The factory at St. Catharines is engaged full time and it is anticipated that the earnings for the year will be the equivalent of $3 the share on the common stock. Losses in operation of the Buffalo factory, however, will probably subtract $1 a share from the net.

Outlook is Good

The outlook for the company is considered very good. One of the principal customers of the company is expanding rapidly and making a heavy demand for the output of the St. Catharines factory. It is probable that certain additions to equipment will have to be installed in order to take care of the 1928 business.

Bumpers which protect automobile radiators, and the building-in of visors with the bodies of automobiles, account for the comparative inactivity of the Buffalo subsidiary of this company, it is said. The company in years past had a profitable business in automobile radiator replacements.

C. H. Easson of Toronto has been elected to the board of directors of McKinnon Industries to fill the vacancy caused by the resignation of N. L. Sinclair of New York.

Predicts Rate on Barcelona Will Continue

It is predicted that a 3, possibly 4, per cent. dividend will be maintained on the common stock of Barcelona Traction, which recently has advanced from 50 to the middle sixties.

An interim dividend of 1 per cent., or 50 cents the share, was announced at the annual meeting of the company in June, but shareholders were informed that there was no assurance that this rate could be continued. Since then, the directors apparently have decided that $1.50 or $2 annually safely may be paid on the stock in view of the constantly improving position of the company, the stability of the Spanish government and the consequent betterment in exchange and internal affairs of the country.

1928 Outlook for Pressed Metal is Excellent, Report

Pressed Metals of America, which manufacture babbit bearings for automobile engines at Marysville, Mich., and successor to Pressed Metals of Canada and the former Marysville subsidiary of the Canadian company, is reported to be in receipt of contracts which will keep the plant operating at capacity throughout the rest of this year and well into the spring of 1928.

The volume of business will be increased materially over previous years but it is possible that lower prices will prevail on the bulk of the orders. However, it is said that, with the manufacturing operations concentrated in one efficient plant, the lower prices will not mean lower profits for the company.

There are prospects for the sale of the factory property of the company in Detroit, but the cash position of the company is such that an immediate sale of the property is not necessary or advisable unless an adequate price is realized.

Offering of Common of Canada Packers is Not in Present Plans

Public Must be Content With Conversion of Davies "A"

MERGER IS HELPFUL

With Consolidation Not Yet Formal, Conditions Are Reported to be Much Improved

With 80 per cent. of the holders of "A" stock of the William Davies Co. assenting, the last remaining step in the organization of Canada Packers, Ltd., can now be made. A total of 75 per cent. of the Davies "A" stock had to be deposited by August 15th in order to bring the Davies company into the merger of packing companies in Eastern Canada. The companies are:

Harris Abattoir (including Gunns, Ltd.)

Canadian Packing Co. (formerly Matthews-Blackwell Co.)

The William Davies Co.

Holders of Davies "A" stock are to receive a new 7 per cent. preferred of Canada Packers, Ltd., of $100 par value for each two shares of old stock. The holders of Davies "B" stock will get common stock in the new company. The new company will hold all the capital stock of the constituent companies, which will be operated under the old trade name.

No Issue of Common

For the time-being apparently the only public stock interest in the new company will be represented by the preferred to be obtained in exchange for Davies "A" stock. All the Davies "B" stock has been closely held, along with about one-third of the "A".

According to well-authenticated reports, the prospects for the packing industry since the merger are excellent. Conditions in the trade which mitigated against successful operation in the last several years have been corrected entirely, and it is said that not only these companies, but the one large company not included and the numerous smaller companies elsewhere in Eastern Canada already have begun to benefit. So far there has been virtually no stiffening of prices of finished products or lowering in the cost price of hogs and beef. The improvements that have come have been result of economies effected in administration and in marketing, it is said.

It will be somewhat of a disappointment to the public which invests in stocks to learn that apparently there will be no issue of the common stock of Canada Packers, Ltd. Over a term of years, it is expected that common stock of this company would reap the holders good profits.

History of Industry

An exhaustive analysis of the packing industry in Canada, and something of its discouraging history in the last several years are published herewith. The information is obtained from official sources and from Dominion Securities Corp., which recently offered bonds of Harris Abattoir to investors.

The packing business is one of the largest of Canadian manufacturing industries and is of fundamental significance in the life of the nation. The packing and curing of meats; the distribution of fresh meats on a national and international scale, by packers and retailers; and manufacture of by-products of so wide a variety that they enter in some form into the daily use of practically the entire population — these activities with those of actual livestock production, employ a very considerable number of the workers of the country. To cite

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Canada Affected by U.S. and British Conditions
Business Becoming Spotty Across the Border
British Outlook is None Too Promising
Newsprint and Flour Mills Show Decline
But Promise is of Good General Business

Canada can not entirely avoid being influenced by business conditions in the lands of its two most important sister nations, the United States and Great Britain. The affect on Canadian business of a change in conditions in those two countries is likely to manifest itself in sundry ways. Our foreign trade is directly influenced by any change in the purchasing power of those two countries. Our factories, in many cases controlled in one country or another, sense the change. Our money markets and foreign exchange markets respond.

Business Spotty Across Border

Business is beginning to acquire a spotty complexion in the United States. Col. Ayres, the Clevleand observer, has it that prosperity is getting tired. Business is going ahead to some extent across the line, but there are direct places where it is going behind. And where there is advance, it is less rapid than formerly. On the same day recently, six stocks reached new highs in New York and six stocks reached new lows. The most pronounced movement in American business is that toward consolidation; the erection of huge corporate and industrial edifices. Big business is becoming bigger.

British Outlook Not Too Good

In Great Britain, the outlook for fall and winter business is not promising. Trade has been active over there for many months, but apparently it has gained its chief stimulus from the fact that every factory had a sheaf of unfilled orders that had piled up during the big coal strike when operations declined to a low level.

In Canada, conditions are generally excellent. But there are some directions in which there is room for improvement. Our two largest industries — flour milling and pulp and paper manufacture—have been affected by extraneous conditions and individual mills are well below the 1926 peak of operations.

Newsprint Production Affected

The pulp and paper mills as a whole are well above last year's level of operations. The mills manufacturing wrapping paper and high grade papers are doing exceedingly well. The newsprint mills are showing the results of over-expansion in the industry. The total production of Canadian newsprint mills at the present time is above last year's totals, but it must be remembered that many new machines have come in and therefore the output of individual mills has declined. In fact, during July they operated at only 80 per cent. of capacity. Ordinarily any industry that can operate at 80 per cent. of capacity in the midst of an over-extended state is regarded as doing exceedingly well, but we have been accustomed in Canada to having our newsprint mills run at around 95 per cent. capacity and even to exceed their rated capacity. The decline in activity is therefore marked. However the condition is temporary; it may be a year before the definite turn comes, but that it will come is virtually assured by the slowing down of construction efforts on new mills and the steady natural growth in newsprint consumption.

Milling Industry in Doldrums

The Canadian milling industry remains in the doldrums and export trade, upon which all the larger mills depend to a great extent, is still at a low ebb.

In July, exports of wheat flour amounted to 449,200 barrels which was only half of the export figure for the month of July, 1926, When 978,339 barrels left Canada for other countries.

For the seven months to July, 1927, exports were 5,066,870 barrels as against 6,275,962 barrels in the similar period to July, 1926. This is a decline too important to be overlooked and it is becoming accentuated. Domestic flour trade also is reported as quiet, with prices easier.

It is apparent that the job of eliminating price cutting in the flour trade and bringing about co-operation among the mills is going to be necessarily slow.

In the meantime one of Canada's key industries is running at a scale below the level of operations of recent years.

To the end of June Canadian flour mills had produced 8,105,839 barrels of flour as against 9,024,000 barrels a year ago.

In general, business is preparing for the fall and winter season, after the usual summer slump and most of the accurate indices point to business on an ascending scale.

We Are Better Off

Canada is much better off and is in a much better position to experience a substantial rise in business than either the United States or Britain. General merchandise is bound to move in good volume this fall and winter, in practically every part of the country. The Maritimes are experiencing new vitality. The prairies are going to have a good cash income. British Columbia's prosperity shows no signs of getting tired. Of course, the older provinces of Ontario and Quebec are steadily coming back as the output of their diversified industries grows.

Car loadings for the week to August 6, were lower than in the previous week, civic holidays having intervened in many centres. But compared with the same week of last year car loadings were much higher, coal, lumber, paper and merchandise all moving in heavier volume.

Agricultural Survey

While fluctuations in grain prices indicate considerable nervousness on the part of speculators and much effort by Chicago to make the most of every isolated report, the important thing from the standpoint of business is the virtual promise of a large and satisfactory yield in every part of the west combined with selling prices that will return substantial margins to the farmers. To those parts of the west largely dependent upon the return from cereals there is practical assurance of steady business during the fall and winter.

A satisfactory feature is the fact that the crops are ripening rapidly and cutting should be general by the last week in August with some areas getting started early.

Some Rust and Frost

In some districts, in Manitoba the yield is being reduced somewhat by the spread of rust. In Saskatchewan there was some damage by the frosts of the previous week, though not as much as early and exaggerated reports had indicated. Alberta seems to have escaped any of these minor disasters entirely. In that province weather conditions are very favorable for filling and ripening. Cutting of winter wheat, barley and earlier varieties of spring wheat has commenced. Harvesting of all crops should be fairly general within the next two weeks, with promise under favorable weather conditions of a volume exceeding any previous year.

Alberta is particularly favored in having good crops for it is benefiting in another way as well. With the rising strength of livestock markets, the cattle raisers of Alberta having been enjoying a good degree of prosperity.

Reports from other provinces are not at all pessimistic and are very bright from some quarters. The general situation is just satisfactory in British Columbia and while some of the fruits are below last year they were up to the normal average. This applies particularly to pears and apples which will be about 80 per cent. of last year's bumper returns. Small fruits were a fairly small crop. Marketing organization is however better which should help to prevent loss in selling.

In the older provinces of Ontario and Quebec agricultural revenues will be up to the average, the great diversification of crops preventing any large increase of decrease in aggregate return.

In the Maritimes the principle crops are doing well. Potatoes in New Brunswick will give good returns as will apples in Nova Scotia, while all crops have done well in Prince Edward Island.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—				
Pig iron, tons (June)	69,437	70,854	403,713	370,864
Steel, tons, (June)	59,940	81,277	487,310	431,184
Newsprint, cwts. (June)	170,590	158,601	996,673	893,753
Automobiles (June)	19,208	21,751	126,181	124,877
Boots and shoes, pair (June)	1,475,493	1,459,072	8,847,761	8,446,445
Flour, bbls., (June)	1,314,212	1,646,000	8,105,839	9,024,000
Construction—				
Contracts awarded (July)	$50,881,200	$33,864,700	$242,205,000	$228,408,300
Building Permits (June)	$18,399,858	$18,718,050	$81,373,619	$78,760,419
Labor—Employment index (July)	108.4	103.7	....	....
Transportation—				
Car loadings (to July 6)	60,111	56,817	1,879,196	1,782,336
C.P.R. gross (June)	$15,270,904	$15,533,968	$88,842,564	$85,227,786
C.P.R. net (June)	2,264,452	2,827,103	13,012,299	13,956,687
C.N.R. gross (June)	$22,545,250	$23,114,896	$129,698,814	$125,461,890
C.N.R. net (June)	646,564	2,027,580	14,070,787	15,557,734
Population—				
Emigration (May)	5,259	....	26,775	......
Immigration (May)	23,941	18,620	59,382	36,113
Trade—(June)—				
Imports	$101,029,386	$91,513,173	$533,868,916	$486,945,548
Exports	$105,678,453	$118,188,590	$561,032,354	$604,353,157
Imports of key products (June)—				
Rubber, lbs.	4,672,405	......(12 mos.)	54,856,129	45,656,630
Cotton, lbs.	10,697,443	......(12 mos.)	141,317,616	131,019,961
Sugar, $	4,118,211	......(12 mos.)	42,135,165	34,517,478
Petroleum (gal)	103,662,009	......(12 mos.)	750,732,872	604,260,965
Coke, tons (June)	57,446	......(12 mos.)	835,169	1,009,726
Exports of key products (June)—				
Newsprint (cwt.)	3,189,893	......(12 mos.)	36,295,169	30,850,671
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15,405	17,729
Wheat, bus. (July)	6,620,131	16,306,486	111,750,670	110,601,296
Wheat Flour, bbl. (July)	449,200	978,339	5,066,870	6,275,962
Finance—				
Failures, number, (June)	138	142	890	857
Failures, liabilities, (June)	2,437,981	2,312,913	14,358,932	14,194,835
Bank Debits (June)	$2,880,000,000	$2,584,000,000	$16,018,000,000	$14,541,000,000
Bond sales (July)	$33,681,365	$59,682,964	$316,633,633	$400,121,826
Stock prices index (July 30)	....	....	358.7	179.9
Insurance sales (June)	$45,298,000	$44,634,000	$246,876,000	$228,817,000
Wholesale prices (1913-100)—				
General index (July)	....	....	152.0	153.05
Iron	....	....	143.6	143.7
Cotton	....	....	1436	153.0
Grains	....	....	181.6	185.1
Cattle	....	....	181.6	185.1
Rubber	....	....	57.7	65.8

BRITISH INDUSTRY IS NOT OPTIMISTIC; SEES NO REVIVAL

Official Federation Forecast Takes Pessimistic View

Special to The Financial Post.

LONDON.—The official quarterly trade forecast and business barometer of the Federation of British Industries did not strike a very optimistic note. The Federation points out that the normal seasonal slackening in trade which is in progress is being accentuated by the fact that it coincides with the conclusion of the working off of the great bulk of the accumulated orders left over as a result of last year's stoppage. So far as revival of trade in the autumn is concerned, it is hard to find any solid ground for optimism. "It is difficult, for example, to see how either the heavy constructional industries or the staple export trades can advance much above their recent peak in the absence of some marked change in the present trend of international monetary movements and a substantial strengthening of our own Central Bank reserves," says the review.

The hopes held out that the reduction of the bank rate to 4½ per cent. in April marked the close of the long drawn out period of credit restriction, with its consequent fall in the price level, and the beginning of the much needed expansion in the basis of credit, have failed to materialize. A rise in the bank rate to at least 5 per cent. in the autumn now seems inevitable, even though exceptional steps are taken by the Federal Reserve Banks of America to relieve the autumn strain.

The report says:

Price Level Continues to Fall

The serious consequences to industry of the continual fall in the international price level, which was discussed in the leading article in the forecast for the past quarter, has recently been stressed by many well-known monetary authorities, notably Sir Josiah Stamp and Professor Cassel. While it is generally agreed that this fall is mainly attributable to the failure to implement the Genoa Currency Resolutions for safeguarding the post-war gold standard, a good deal of difference of opinion exists as to its more proximate causes. In the above-mentioned leading article it was suggested that European deflation, and in particular the policy of the Bank of England, were mainly responsible for the movement. Professor Cassel, on the other hand, tends to throw the major part of the blame to the United States, who, he alleges, have been maintaining an unduly high rediscount rate.

While it is undoubtedly true that by appropriate action at the time this country returned to the gold standard, the Federal Reserve Board might, without adversely affecting internal conditions in the U. S. A., have taken steps to prevent the present deadlock, it would be a much more difficult matter at the present time. In the first place, Professor Cassel's suggestion that prices in America have been falling as rapidly as elsewhere, is not supported by the information published by the Harvard Economic Service (see their weekly letter of June 25, 1927), which shows that the price decline in that country during 1926 was brought about mainly by declines in commodities entering her export trade; prices of imported commodities and domestic commodities having changed only to the considerable danger to her internal stability which a reduction in the Federal Reserve rediscount rate early this year might have entailed, e.g., excessive speculation on the stock exchange.

Situation Changes for Worse

So far as the movements in this country during the past quarter are concerned, the situation has changed for the worse. The reduction of the bank rate to 4½ per cent., which, in April, was hoped might herald the beginning of a period of easier credit, has only been maintained with considerable difficulty, and a rise in the near future is in prospect.

While it is hoped that the recent meeting held in New York between the more important central banks of the world will result in checking the international competition for the available supplies of gold, and, in particular, lead to a modification of the recent French banking policy, it is very doubtful whether we can expect an early alleviation of more than our own most pressing difficulties. The outstanding feature of the clearing banks' statistics has been the insistent demand for advances which all the banks have found extremely difficult to meet, owing to the fact that they had already reached what in pre-war days would have been regarded as the limit of their lending power.

Slackening in Drop is Temporary

The chart of international business conditions suggests that the persistent downward tendency of world prices during the past two years is slowing up. But whether this tendency is more than temporary depends partly, as indicated in the previous section, on the international gold situation, and partly on the policies of the individual central banks. At the moment, with the autumn crop movements in prospect, the tendency of European discount rates is upwards. There are, however, a number of abnormal factors to be taken into account. In Germany, for example, where difficulties are anticipated in meeting the Dawes annuities which fall due during the next two years, the Reichsbank policy is, in any case, in the direction of credit restriction. In Italy, as anticipated in our last supplement, the policy of rapid appreciation of the lira has led to an industrial crisis, and while, as a result, this policy has been temporarily suspended, the full reaction on trade and prices has yet to be felt. So far as the United States is concerned, the fall in the world gold prices, which has until recently been mainly confined to export prices, has begun to spread to domestic prices and so is reacting on the instalment industries. While this leads one to anticipate that the present slackening in the U. S. consumption trades will prove to be more than seasonal, it may, by releasing funds, encourage the Federal Reserve Board to reduce the rediscount rate and relieve the European stringency.

Have Caught Up With Orders

The quarter just ended has witnessed the culmination of the period of trade expansion which followed the conclusion of the stoppage. While the recent slackening is primarily seasonal in origin, there is nothing to indicate that there is likely to be any early alleviation of the difficulties of our staple export trades on which a renewed upward movement in the autumn mainly depends. It must be remembered that the level of trade activity reached in certain industries during the past six months was in excess, not only of that before the coal stoppage of last year, but in certain cases—notably the iron and steel industries—greater than at any time since the post-war slump. Since a large part of that improvement was due to an accumulation of postponed orders it cannot, without additional evidence, be taken as a sign that the various impediments to trade expansion which existed before the coal stoppage have been removed.

Unfortunately, while it is true that the road to expansion has been freed of many obstructions, it is still far from clear.

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Industry, Farming Share Honors as Chief Activities

Canadian Productive Income Now Over $5,000,000

PRODUCTION RISES

Steady Growth Since 1920 in Canadian Productive Income-Shown in Survey

Agriculture and manufacturing continue to run hard in hand as the two chief sources of Canadian income.

A careful survey for 1925 shows Canadian income from agriculture to total $1,342,900,000 and from industry $1,360,900,000. Industry led.

The figures are for net production, which means that duplicating items between one group of branch of production and another have been eliminated.

Dominion Bureau of Statistics has issued a report on the productive income of Canada. Figures cover the year 1925. This is somewhat old now, and is not of great value in reckoning the current purchasing power of the country. But the labor involved in making up the report is very great. The report is of value though, in arriving at the comparative value to Canada of different industries and in studying the long-term trend of prosperity in different areas.

The value of Canadian production, according to the survey just completed, was greater in 1925 than in any other year since the peak of post-war inflation in 1920. The marked increase in 1925 is accounted for by the commencement of the active industrial conditions apparent in many lines throughout 1926 and down to the present time. The net value of commodities produced in Canada during 1925, as estimated by the bureau on the basis of statistics compiled by its various branches, was $3,325,000,000. This amount compares with $3,018,000,000 in 1924 and $3,051,000,000 in 1923, an increase over 1924 of 10 per cent.

Total Is Over Five Billions

These values were produced by approximately 65 per cent. of the gainfully employed persons in the Dominion—those engaged in the various kinds of "production," defined according to the usual acceptation of the term as including agriculture, forestry, fisheries, trapping, mining and manufacturing, etc. The remaining 35 per cent. of the gainfully employed must also be considered to be producers in the larger sense of the word, being engaged in activities such as transportation, trade, administration, the professions, domestic and personal service. As showing the importance of the latter activities, it may be pointed out that railway gross earnings in 1925 amounted to $455,300,000, street railway earnings to $49,600,000 and telephone and telegraph earnings to $58,800,000, all of which from a broad point of view, should also be considered as "production." Allowing for their work, production in 1925 represented created values of $5,115,000,000 as compared with $4,643,000,000 in 1924 and $4,694,000,000 for 1923.

Survey by Industries

A summary by industries of the net production of Canada in 1925 is as follows (with 1924 figures for comparison):

Division of Industry	1924 Net	1925 Net
Agriculture ...	$1,140,855,500	$1,342,889,420
Forestry	311,265,847	313,412,842
Fisheries	44,534,235	47,942,131
Trapping	14,785,634	14,778,173
Mining	209,583,406	226,583,333
Electric Power	74,616,863	79,341,584
Total Primary Production. .	$1,795,681,485	$2,024,947,483
Construction. .	$187,114,415	$202,102,890
Custom & Repair	58,053,266	61,534,000
Manufactures . ,	1,256,643,901	1,360,879,907
Total Secondary Production. .	$1,501,811,582	$1,642,516,797
Grand Total ..	$3,018,182,081	$3,325,115,594

As the above figures show, in all the 9 branches of production except trapping, increases were shown in 1925 over the preceding year, while the decline in trapping was insignificant. The greatest gain was in agriculture, the net output in 1925 being $1,342,900,000, an increase of $202,000,000. Manufacturing occupied second place in the matter of both percentual and absolute increases. The net output of the manufacturing industries in 1925 was $1,360,900,000, compared with $1,256,600,000 in 1924, an increase of $104,000,000. Mineral production was valued at $226,600,000, as compared with $209,583,000, an increase of $17,000,000. The advance in construction was nearly $15,000,000 or 8 per cent., the total for 1925 being $202,100,000. Important increases were also attained in the fisheries and electric power divisions. A moderate increase was shown in forestry production, while the total for custom and repair industries is estimated for purposes of comparison.

Survey by Provinces

A comparison by provinces follows:

Province	1924 Net Value	1925 Net Value
P. E. I.	$18,138,381	$23,110,406
Nova Scotia	96,071,433	94,826,633
New Brunswick	78,298,070	87,097,614
Quebec	729,992,866	795,993,531
Ontario	1,217,764,312	1,259,737,138
Manitoba	190,022,463	181,977,811
Saskatchewan	237,254,471	360,433,859
Alberta	210,972,370	257,040,994
British Columbia ..	236,816,575	260,941,481
Yukon	2,851,140	3,956,127
GRAND TOTAL ...	3,018,182,081	3,325,115,594

Comparing the 1925 figures with the record from 1921 to date some interesting results are shown, chiefly the continued depression in the two chief Maritime provinces, which led to the appointment of the Duncan commission.

While each of the provinces showed a decline in the net value of production in 1921 compared with the preceding year, the trend during the readjustment period lasting from 1921 to 1925 exhibited considerable variation in the different provinces. In Prince Edward Island, the lowest point was reached in 1922 with substantial recovery in 1924 and 1925. The net value of production was $23,100,000 in 1925, as compared with $24,400,000 in 1920. The depression in Nova Scotia was maintained throughout the period under review, production in 1925 reaching the lowest point of the period after steady decreases from 1920; the great strike in the coal mines was partly responsible for this poor showing in 1925. The net value in 1925 was $94,800,000, compared with $185,300,000 in 1920. The trend in New Brunswick was similar to that in Nova Scotia, the chief variation being an increase in 1925 as compared with the preceding year.

Quebec Shows Steady Growth

In Quebec the decline in 1921 compared with the preceding year was very severe. During the readjustment period the chief features were the substantial recovery in 1923, the minor recession of 1924 and the marked recovery in 1925. The decline of 1921 was also very severe in Ontario, but after that year increases were recorded. The increase in 1924 over the preceding year was very slight, but aside from this partial interruption a steady rate of increase was maintained from 1921 to 1925.

The special feature in the case of Manitoba was the marked increase in 1924 compared with the preceding year. The net output of 1924 was not maintained in 1925. While a decline was shown in Saskatchewan during 1921 compared with the preceding year, the total of 1920 was exceeded in 1922 and again in 1925 when agricultural revenues were very satisfactory. High points in the net value of production in Alberta were attained in 1923 and 1925. In British Columbia, steady increases were shown during the readjustment period from 1921 to 1925, the decline in 1921 being offset by increases from 1921 to 1925.

Chief Industries of Each Province

The figures show the relative importance of different industries in the provinces.

Production in Nova Scotia was principally in the agricultural, manufacturing and mining industries, which were respectively accountable for 32.8 per cent., 28.7 per cent. and 18.6 per cent. of the net output of the province. The contribution of manufactures, aside from processes carried on in connection with the extractive industries, was 19.0 per cent. In view of the recession in the lumber industry in New Brunswick, agriculture moved into first place as a producer of new wealth in 1925, the proportion being 36.2 per cent., while forestry furnished an output of 33.3 per cent. Manufacturing occupied third place with an output of 16.6 per cent. followed by fisheries with 5.5 per cent. Agriculture, including fur farming, contributed 84.8 per cent. of the net output of Prince Edward Island. Declines in the net outputs of forestry, mining and construction in the Maritime Provinces were counterbalanced by increases in agriculture, manufactures and other lines. The net result was that the value of production was 6.5 per cent. greater in 1925 than in the preceding year, Nova Scotia alone showing a slight decline.

The product derived from manufactures in Quebec was greater than that from any other industry. Manufactures, aside from the output of establishments associated with the extractive industries, contributed 41.3 per cent., while the net output of the entire manufacturing division referred to the same base was 51.3 per cent. Farming came second with a production of 27.8 per cent., and forestry with an output of 12.1 per cent. occupied third place. With the exception of forestry, increases were shown in each of the branches of production in 1925 compared with the preceding year. The increases in agriculture and manufactures were 12.4 per cent. and 4.6 per cent., respectively.

Industry Leads in Ontario

The net production from the manufactures of Ontario, when stripped of all duplication, was $564,800,000, compared with $363,400,000 from agriculture. Forestry held third place with 7.4 per cent. of the total, and mining followed with 7.0 per cent. The construction output was 6.3 per cent. of the net production of the province. The increase in 1925 over 1924 in agriculture, mining, electric power, repair work and manufactures counterbalanced the decline in the remaining branches of production. The net output of manufactures increased by $54,800,000, and agriculture showed a gain of $17,200,000.

Except in forestry, in fisheries and in trapping, Ontario led the other provinces and divisions in the productiveness of the main branches of industry. The province yielded precedence in forestry operations to Quebec alone while British Columbia, Nova Scotia and New Brunswick obtained a greater income from the fisheries. More than 51 per cent. of the net manufacturing output of the country was contributed by Ontario, and 27 per cent. of the agricultural income was derived from the same source.

Nearly 93 per cent. of the output of Saskatchewan was obtained from farming, which also largely predominated as a producer of new wealth in Manitoba and Alberta, the proportions being 62 per cent. and 76 per cent., respectively. Mineral production, chiefly coal-mining, held second place in Alberta, with an output of 10 per cent. of the provincial total. Manufacturing was second in importance in Manitoba and Saskatchewan. Larger grain yields accounted for the increase in the net production of Saskatchewan and Alberta, while agricultural income showed a decline in Manitoba. Despite the decline in Manitoba, the net value of production in the three Prairie Provinces showed an increase over 1924 of $161,200,000, or 12 per cent.

Industry Built on Resources

The net production from manufacturing in British Columbia during 1925 was in excess of $99,900,000, but more than half of this amount was derived from manufacturing processes closely associated with the primary industries, especially logging and fishing. The remainder, $35,600,000, was 13.6 per cent. of the net output of the province. Aside from manufacturing, forestry constituted the chief source of new wealth—about 28.3 per cent. of the total output of the province was contributed by the forest. Mining and farming followed in order, with percentages of 25 and 13 respectively. The general increase in the net output of production in the province during 1925 indicates that the improvement in business conditions was well distributed throughout the main branches of industry.

Sources of Income in Canada

PRIMARY PRODUCTION	
Agriculture	
Field Crops	$1,076,645,400
Fruits and Vegetables	47,684,000
Maple products	5,288,000
Tobacco	7,004,000
Grass and clover seed..........	3,594,000
Honey	2,529,000
Flax Fibre	454,000
Total Field Husbandry	$1,145,198,100
Farm Animals	$$ 151,424,000
Wool	3,958,000
Dairy Products—	
Dairy Butter	32,128,799
Whole milk used as such.....	67,872,613
Milk sold to factories	101,862,487
Ice Cream	2,785,682
Dairy factories	36,419,739
Poultry and eggs	69,675,000
Fur Farming—	
Pelts	782,000
Animals	2,897,000
Total Animal Husbandry.....	197,690,402
Total Agricultural Production..	$1,342,889,420
Forestry	
Logs for Lumber	$ 73,302,369
Pulp Wood	48,012,602
Railway ties	14,491,557
All other forest products	73,452,033
Total forestry operations.....	$ 209,276,561
Saw mill products	51,932,500
Pulp mill products	52,203,781
Total milling operations	104,136,281
Total Forestry Production	313,412,842
Fisheries	
Fish sold fresh by fishermen... $	16,060,932
Sales to canning and curing establishments	13,953,936
Fish domestically cured	1,500,207
Fish canning and curing establishments (value added)	16,427,056
Total Fisheries Production	$47,942,131
Trapping	
Fur Production (Wild Life)...	$14,778,173
Mining	
Other metallics	$117,082,298
Salt refining	1,410,697
Other non-metallic	70,441,104
Cement	14,046,704
Brick and tile	7,374,551
Fire brick and fire clay	702,707
Clay sewer pipe	1,182,454
Stoneware and pottery	269,979
Lime	3,387,652
Other structural materials and clay products	10,685,187
Total Mineral Production....	$226,583,333
Electric Power	
Electric Light and Power......	$ 79,341,584
Total Primary Production	$2,024,947,483
SECONDARY PRODUCTION	
Construction	
General construction	$193,500,000
Shipbuilding	8,602,890
Total Construction	$202,102,890
Custom and repair	$ 61,534,000
Manufactures	
Vegetable Products	$227,526,377
Animal products	115,863,479
Textiles	143,950,124
Wood and paper	310,642,862
Iron and steel	205,041,508
Non-ferrous metals	85,701,766
Non-metallic minerals	78,969,840
Chemicals	56,607,527
Miscellaneous including	136,576,424
Total manufactures †	$1,360,879,907
Total Secondary Production	$1,624,516,797
GRAND TOTAL †	$3,325,115,594

xThis amount is exclusive of duplication involved in purchases of power by reporting companies.

†The item "total manufactures" includes the following industries which are also shown elsewhere.

Dairy factories	$ 30,653,832
Sawmills and pulp mills	108,397,898
Fish canning and curing	16,427,056
Shipbuilding	8,602,890
Mineral industries	57,679,128
Electric power	102,587,882
Total	$324,348,686
Manufactures, with duplicate eliminated	$1,036,531,221

The amount of duplication is deducted in making computation of the grand total.

General industrial transportation and agricultural outlook (from reports reaching him from all parts of Canada) is excellent and will continue to improve as the market for Canadian products widens, said E. W. Beatty, K.C., chairman and president of the Canadian Pacific Railway.

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BANK STOCKS FIND BUYERS IN UNITED STATES

Renewed Investment Demand is Result of Comparatively High Yield

Canadian bank stocks have been in active demand in recent weeks. It is said that the demand originates from the United States, where investors have made the discovery that the yield from Canadian bank stocks is considerably higher than the yield from stocks of institutions of similar calibre in the United States.

Of the ten Canadian bank stocks, in which there is fairly active trading, six are selling on a basis to yield less than 5 per cent. and four to yield less than 6 per cent.

These are comparatively high yields for institution of such strength and stability. But the reason, doubtless, for that prices are not higher is the double-liability clause of the bank act. In the event of a bank failure. shareholders are liable to be called upon for an assessment up to the par value of their stock.

Of course, a bank failure is an exceedingly remote possibility in Canada under present conditions. But it is a possibility that the conservative investor in the home land is not inclined altogether to ignore. The United States buyers of Canadian bank stocks may not be ignoring the contingent liability, either, or they may be of the opinion that collection in a foreign country might not be deemed politic.

In any event, it is a tribute to the soundness of Canadian institutions that there should be aggressive buying of these stocks.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bdge 7s '56	107½	109
Do., 8s '45	108	110
Buff Gen Elec 1st 5s '39	104	...
Bfo N & E Pow 5s, '30	102	104
Lockport L H & P 5½ '54	102½	104
N F 1st & com. 6s 1950	105	106
Niag Lock & Ont Pf	113½	115
Niagara Falls Pw. pf	28	28¾

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Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Aug. 17	101.5	97.
Week of Aug. 10	100.1	97.4
Month of Aug., 1926	83.0	75.7
9 Bank Stocks		
Week of Aug. 17	$272	$260
Week of Aug. 10	262	255
Month of Aug., 1926	226	222
10 Public Utilities		
Week of Aug. 17	115	111
Week of Aug. 10	112	110
Month of Aug., 1926	97	93

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	9	.	.	9
Paper	7	3	5	15
Steel	8	9	27	39
Foodstuffs	16	11	17	44
Utilities	10	3	16	29
Tractions	3	3	10	16
Industrials	16	9	38	63
Textiles	6	1	10	17
Total	75	39	118	232

Canadian Stocks Behave Well in N.Y. Gyrations

Canadian industrial stocks are behaving much better than might have been expected, in view of the gyrations that have afflicted the New York market in the last two or three weeks. The fact appears to be that the technical position of the Canadian market was virtually corrected in June and early July, so that, when the bottom fell out of the market for certain New York speculative issues, there was no reason for widespread sympathetic reaction in Montreal and Toronto.

Another factor of great importance which is favorable to high levels for sound Canadian stocks is that Canadian prosperity is probably greater than prosperity in the United States. The Maritimes are hopeful, Ontario and Quebec are confident, the prairies are optimistic and British Columbia is expectant. There are fewer areas of depression in Canada at present than at any time since the deflation area. In these circumstances, utility and industrial stocks should be sustained under any circumstances that can reasonably be foreseen.

Fraser Preferred is Now Selling at Par

A board lot of Fraser Companies 7 per cent. preferred stock sold this week on the Montreal stock exchange at par, a new high level for this security.

Those in touch with the company's affairs feel that the market price will go higher, due to the privilege which holders of the preferred have of converting their stock, share for share, into the common stock.

Recent reports indicate that Fraser earnings, after all charges, are running in excess of $7 per share on the common, and there are rumors that the company contemplates splitting its outstanding 100,000 share of $100 par value stock into several shares of no par value, with a possible increase in dividend.

Any action towards increasing the company's present common dividend of $2 per share, by splitting the existing common into no par value shares, would naturally make increasingly valuable the conversion privilege attaching to the preferred stock.

B.C. Experiments with Tobacco

Experimental crops of tobacco are being grown on 65 acres of land at Oliver, B.C. Fifty acres has already been planted to the satisfaction of Mr. McVettie of the B.C. Tobacco Products. Good progress has been made and the prospect is promising.

Principles of Selling by Mail
By James H. Picken
852 Mailing plans that Build Business
Price $6.75.
Two things are necessary to make letters and all direct-mail efforts successful. They must be written correctly and used correctly. In other words the letter-writer must know both how to write and how to use letters. To fail in either one of these requirements is to fall short in making direct-mail appeals reach their maximum effectiveness.
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MONARCH KNIT TRADE BETTERS PREVIOUS YEAR

Apparently Dunnville Concern Has Not Been Approached regarding Merger

Various rumors have connected Western Ontario knitting companies in the last several weeks, but there has been a minimum of accomplishment. At present, all negotiations appear to have lapsed, although there are authorities who assert that a merger which will place the group on a plane with their principal competitors ultimately will be achieved.

The fact is that the interests which have been working to achieve a merger have received only mild encouragement in quarters where considerable support would have to come in order to effect a structure which would be beneficial to all concerned. It is possible the would-be organizers will be able soon to present a proposition to the group which will be acceptable to all concerned.

Business is Better

It was said this week that Monarch Knitting Co. had been invited to enter a merger. If such an invitation has been presented, it was not considered of sufficient importance to be considered by the board of directors of Monarch, according to unimpeachable information vouchsafed The Financial Post.

Monarch Knitting is one of those companies which has not had a very happy experience since the war. The preferred is selling at slightly more than half its par value of $100. Dividends are in arrears since April 30, 1925.

According to a report from Dunnville, the head office of the company, business shows some improvement over last year. In the fiscal year ended last December 31st, net profits of $32,682 were shown, compared with a deficit of $2,302 the previous year.

SALMON RUN IN B.C. DISAPPOINTING

Sockeye Make Late Appearance; Others Are Less Profitable

VANCOUVER. — British Columbia's salmon pink, at August 6, according to figures compiled by Ralph Lanning, secretary of the salmon canners' section of the C. M. A. in B. C., was 250,000 cases below last year's pack for the same period.

A somewhat lighter run of sockeye salmon and a very much lighter catch of pinks have contributed to the decline.

Packers still hold out hopes for the fall run of pinks, despite the fact that in southern Alaska the pinks, which clean up about six weeks before B. C., have been a complete failure.

Sockeye Come Late

The sockeye run in B. C. waters was alarmingly small until about two weeks ago when enough fish were caught to bring the pack up to within 16,000 cases of last year's total. The canning industry hopes that the run of pinks will see a repetition of that experience.

The total pack to August 6th in British Columbia was 325,000 cases as compared with 575,000 cases on August 7, 1926, and 535,000 cases for the corresponding period in 1925.

Pinks have shown the greatest falling off. There had been only 36,000 cases packed on August 6th, as against 258,000 cases in the corresponding period last year and 104,000 cases in 1925.

All other grades strike an average. The packs of other species are: Springs, 31,000 cases; bluebacks, 12,000 cases; cohoes, 22,000 cases; and chums, 8,000 cases. Chums are behind the pack for the corresponding period of 1926, but as the fish do not run heavily for another month it is still too early for figures to give any indications of what the pack of chums will be.

Sockeyes pack to August 6 totalled 211,000 as compared with 227,000 cases last year to August 7 and 320,000 cases in the corresponding period in 1925.

Jarvis's Opinion

It is believed that another 100,000 cases of sockeye will be packed but none will hazard a guess as to the production of pinks.

The run of salmon in Rivers Inlet and Smith's Inlet is over. Fish are still being taken in the Skeena. Only 3,000 cases had been packed on the Fraser up to August 6, the sockeye run not having started there.

Æmilius Jarvis, president of B.C. Fish, predicts a total pack of 80 per cent. of last year to August 7, and 320,000 cases over from last year. This carry-over is being disposed of at good prices.

Canadian Marconi Company Report is Still Delayed

From Our Own Correspondent.

MONTREAL.—The annual report of the Canadian Marconi Company usually makes its appearance towards the end of the current month, but this year the report will probably not appear until well on in September. The report covers the operations in 1926. One reason for the delay in forwarding the statement to the shareholders lies in the wide distribution of the company's stations; it takes many months before all the returns from ships at sea and other distant stations are received. At the beginning of this year, the Canadian Marconi put into operation its new beam transmission stations connecting the Dominion with Great Britain. It is understood that the new equipment is proving very successful.

Famous Players Canadian Concludes Fine Year

From Our Own Correspondent.

MONTREAL. — The Famous Players Canadian Corporation is just concluding the most successful year in its history. During the current fiscal year which ends this month, dividends have been paid on the second preferred shares for the first time. There is $1,000,000 of second preferred outstanding as compared with $4,200,000 of first preferred.

During the dull post-war years the company steadily expanded and steadily paid its first preference dividends. The expansion policy has increased gross revenues and now the company finds itself in a position to reap the benefits accruing from its policies of former years.

International Mill at Dalhousie, N.B. ?

From Our Own Correspondent.

MONTREAL.—It is reported that the International Paper Company is to erect its new New Brunswick newsprint mill at Dalhousie, where, it is stated, the company has been obtaining options on land suitable for a mill site. Formerly, it was thought that the new mill would be located at Campbellton, N.B. The power supply for the mill will be obtained from the Grand Falls plant of the Saint John River Power Company, the New Brunswick power subsidiary of the large paper producer.

SECOND YEAR IS BETTER FOR NAT. GROCERS

Wholesaler's Report Will be Available Within Week or Two

Considerable improvement in the earnings and the position of National Grocers Ltd., is expected, according to information received by The Financial Post. The company's fiscal year ends on June 30, and last year the company's annual report did not make its appearance until September 27. This year, however, the officials of the company state the report will be ready for publication almost one month earlier than in 1926. The report will appear at the end of August. National Grocers Ltd., was a merger in 1925, of some 25 wholesale groceries in the province of Ontario. The first annual report covered the ten and a half months which ended June 30, so that the new report will be the first which will cover the activities of the company over a full twelve month period.

No Further Developments in Montreal Power Stock

From Our Own Correspondent.

MONTREAL.—The shares of the Montreal Light, Heat and Power Consolidated have distinguished themselves by moving into new high ground for all time. Investors are faithful to this stock, because of the able management of the company, and due to the fact that, despite market slumps, Montreal Power usually manages to hold its own.

There is no new development which would account for the rise in the shares. It is thought, however, that there is the possibility, if not the probability, of a dividend increase before the close of the year.

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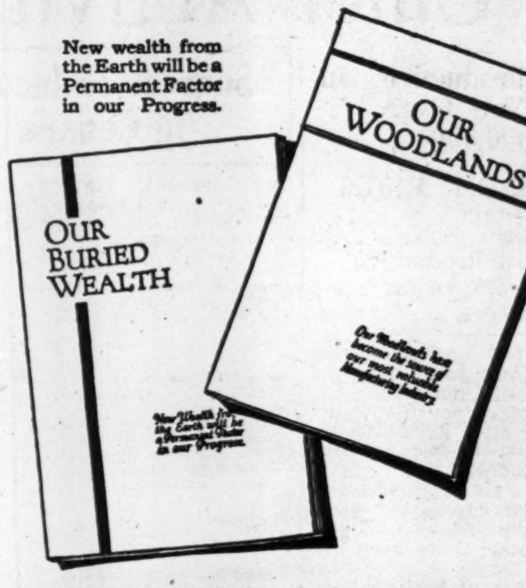

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NATION'S BUSINESS

(Continued from page 1)

ada is sadly missing from the exhibits of the Empire Marketing Board.

The other Dominions, at very small cost, are gaining tremendous benefits from the work. It cannot be too strongly emphasized that the only cost Canada would incur would be for getting a display together. The Empire Marketing Board pays all the cost of the space, advertising, carriage, construction, etc., and the British tax payer puts up the money, as restitution, it is said, for the inability of the British Government to implement its Imperial preference promises.

• • •

IN SOME quarters Hon. P. C. Larkin is being seriously criticized for Canada's failure to take advantage of the opportunities for promotion work, thus presented. In other circles, the blame is laid at the feet of the prime minister, who is declared to be adverse to having any part in any great Imperial demonstration. Other London observers say the trouble lies with Canada's representative on the Empire Marketing Board.

How Canada's laxity had its genesis is not so important as how Canada is to remedy the situation. Those in close touch with the situation think that all promotion work in connection with Canadian products should be placed under control of the minister of trade and commerce, who has already appropriated a large sum to advertise Canadian goods abroad. The Canadian representative on the Empire Marketing Board would be the agent of that department instead of being, as is apparently now the case, the personal agent of the minister of agriculture. Canada may rest assured that Mr. Malcolm would not allow this unfortunate situation long to continue but would take full advantage of the stirring and efficient effort of the Empire Marketing Board.

In the work of the Empire Marketing Board Canada gets something for nothing, or could if it tied up with it properly.

AUTUMN
The Golden Time of Year
FOR SEEING NOVA SCOTIA

YOU are cordially invited to visit Nova Scotia during the Autumn months. Here September and October have unusual splendour of colour and softness of air. You will find Autumn incomparably the golden time of the year for a sojourn in this Province.
You can obtain in Nova Scotia some of the finest moose hunting to be found anywhere. Deer are also well distributed. The open season for moose and deer extends throughout October. The open season for woodcock ranges from October 1 to November 30.
You will discover in Nova Scotia the finest motor roads in Canada. First-class train service into and around the Province. Hospitable hotels and woodland camps will furnish savoury cheer and comfortable beds.
For full information about Nova Scotia, write
Department of Natural Resources
Halifax

SAY WABASH TO IMPROVE SERVICE THROUGH CANADA

C. N. Declines to Sell Air-line Between Detroit and Niagara Rivers

WOULD RIVAL M.C.R.

Rumor Persists That Pennsylvania Owns Control of Gould Line Leading from Southwest States

It is understood that the Canadian National Railways recently declined to sell to the Wabash railway, the so-called "air" line in southwestern Ontario from Walkerville, opposite Detroit, to Bridgeburg, opposite Buffalo. The Wabash has had running rights on this line since 1898, the 21-year agreement having been renewed prior to 1919. There are 245 miles of track in the division. The line is double-tracked between Glencoe and the Detroit river.

According to report, the Pennsylvania system, or interests identified with it, have procured control of the Wabash through purchase of stock. The Wabash, one of the old Gould lines, is a strong freight road operating between Buffalo and Chicago and St. Louis and Kansas City. About 25 years ago, a start was made to procure for it access to the Atlantic seaboard, but its own trackage was never extended beyond Detroit and its passenger trains lose their identity at Buffalo. The passenger business has been dwindling for the last ten years, only one train a day being operated in each direction. Twenty years ago, the company operated five trains of the then latest type through Canada and to the East on the West Shore railroad, now a part of the New York Central system, and the Erie railroad.

Merger in Prospect

If it is true that the Pennsylvania now controls the Wabash—and there is corroborative evidence of the statement—it is probable that the interstate commerce commission will be asked ultimately to approve a merger of these and connecting lines. The purpose of such a merger would be to provide the keenest sort of competition between the New York Central and the Pennsylvania in the fight for passenger and freight traffic between the seaboard and the middle western states. The Michigan Central (a subsidiary of the New York Central) operates the fastest trains in Canada over its Canada southern division between Windsor and Bridgeburg and Windsor and Niagara Falls.

The Wabash has gone through some lean times since the days when the Goulds were aggressively pushing its way toward New York. But, in recent years it has shown an ability to pay its way as a freight line, the business being built up by means of an enviable service rendered shippers. The partial rehabilitation and the geographical advantages of trackage direct to Kansas City apparently directed the attention of the Pennsylvania to the potentialities of offsetting certain advantages maintained by its great competitor, the New York Central and its controlled roads.

Wabash Has Poor Landlord

The Wabash, it is said, never has been pleased with the kind of service given by its landlord, the old Grand Trunk and the Canadian National. The Wabash pays $250,000 annually and a wheelage fee which was profitable for the Canadian road. But it is claimed that the Canadian road spent as little as it could in maintaining rails and roadbed between Bridgeburg and Glencoe. From Glencoe to the Windsor district, the Canadian company built a second track and maintained the line in good condition for its own sake, many trains being operated over the line.

But the Canadian National operates no passenger trains on this division between Glencoe and Bridgeburg, letting the Wabash perform this service, as well as carry a good deal of the local freight. It has been a line for which the Canadian National has little use, but which it has been reluctant to sell. The Wabash running time between Buffalo and Chicago is from two to four hours longer than the running time of the parallel line, the Michigan Central. The comparatively rough road between the Fort Erie yard and Glencoe accounts for this, it is said.

In railroad circles, it is whispered that the Wabash may build its own line between the borders. There is, as yet, no corroboration of this rumor.

Newsprint Mills Have Quiet Time

From Our Own Correspondent.

MONTREAL. — During the current month, the operations of the Canadian newsprint mills will probably show a decline as compared with July when they operated at only 80 per cent. capacity. The month of August is always a slack time in the industry and this year any observation of the U. S. daily papers shows that advertising has been curtailed with a consequent decline in the size of most newspapers.

When the newsprint output figures for August are published it is possible that they may reveal that the mills have been operating as low as 70 per cent. capacity—but it is thought that this is a minimum figure, and that the decline in operations may not be of this magnitude.

VICTORIA GUARANTEES BONDS OF COMPANY TO BUILD ELEVATOR

(Continued from page 1)

hope to develop, with Vancouver, as a grain port. Undoubtedly, Sir Henry Thornton's influence was considerable in the circumstances.

But some folks assert that the grain elevators at Vancouver should have been built at New Westminster, where they would have been accessible on equal terms by both railroads and where the vessels would have lain in fresh water while loading. It is not evident if it was a parochial spirit which led to the selection of Vancouver itself as the grain terminal, rather than New Westminster, which is a scant twelve miles farther from the deep sea.

Aside from the serious questions as to whether Victoria can hope to develop as a grain port via the Nanaimo car ferries, is the question of the propriety or wisdom of a municipality guaranteeing the bonds of an industrial enterprise. The city's guarantee of the bond assures the raising of the necessary capital, but it does not assure success of the venture. It can be argued with force that if the elevator project is commercially feasible, it should have been possible to convince private capital of the attractions of the venture, and if it is not commercially feasible, the city should not have guaranteed the bonds for the reason that such guarantee is fairly certain to be exercised at the taxpayers' expense.

Move Company, Too

Victoria is being criticised somewhat for its recently developed penchant for civic guarantees of industrial enterprises. The most startling, perhaps, was the guarantee of bonds of a company which will manufacture motion-pictures. In this instance, the best and perhaps the most novel safeguard of the civic funds is a provision that bonds shall not be marketed until the producer of the films has a market for his films. It is whispered that many a potentially successful movie is reposing in vaults because all the movie houses are booked with attractions provided under contract by the big companies which dominate the industry.

Other People's Views

A Bit Thick

Halifax Herald.—According to a correspondent of the Toronto Financial Post "parliamentary efforts at housekeeping are one of the most entertaining sidelights of the Ottawa scene." Entertaining, no doubt, for those who enjoy the "housekeeping," but not quite so pleasant for the rank and file of the people who foot the bills.

An examination of the results achieved by the joint labors of the Senate and the House of Commons, says The Post, can only suggest an imperative need for a group of strong-minded and domestic-minded women in Parliament. It is apparently the only hope, for men have fumbled for several generations in this household management side of Canadian public life.

In all, we read, the "parliamentary machine" costs $2,352,000 each year—but the most startling feature of the domestic arrangements of Parliament is the restaurant. This cheerful institution, which serves digestible meals at reasonable, but not cut-rate prices, has had an annual deficit of $27,000 for the past two years. This deficit is met by an unquestioning House every session, despite the fact that a special vote is put through for $25,000 for restaurant staff salaries. This restaurant, which has no heat, light, taxes or wages to meet, loses $27,000 a year on the food it provides to members and senators during four or five months of the year with table d'hotes of 75-cent lunches and $1 dinners, and crowded twice a day during the session.

Here is food for our legislators—and for thought for the public. The keeper of a private restaurant, with "no heat, light, taxes or wages to meet," could put himself "on easy street" in a very few years. The country pays its legislators generously: why, then, should they expect further "pickings and perquisites" in the form of an annual $27,000 restaurant deficit. It looks like a little too much of the good thing.

Letting Customer Know When Account Is Dormant

Manager of Canadian Bank of Commerce at Wadena, Sask., makes this suggestion:

"A number of managers have complained that no matter how nicely a letter to a depositor regarding a dormant account may be worded, it too often results in the account being closed. This was also our experience, and the situation became so serious that we devoted a considerable amount of thought to the subject, and think that we have discovered a partial solution of the difficulty. A letter is written to the customer requesting him to present his pass-book, in order that we may add the interest to date. This provides a reason for writing and does not give him the impression that the bank is tired of handling the account, but rather the reverse. In the letter no mention is made of the requirements of the bank act regarding unclaimed balances, but we remark that it is some time since a deposit has been made in the account and endeavor to instil the idea of an objective in the mind of the customer. It is better if the letters are individual, rather than stereotyped in form and they should be quite short. Our letters were sent out in March, but better results might be produced if they were sent out during the month following the date on which interest is added."

UNLISTED SECURITIES

	Bid	Asked
Burns, P., pref.	98½	..
Brooks Motor, 1 pref. & 1 com.	3½	4½
Can. Machinery, com.	5	7
Can. Westinghouse, com.	170	..
Chase, A. W., com.	3	7
Do., pref.	55	..
Dom. Combing Units	12	..
Fanny Farmer, com.	27	29
Do. pref.	32	34
Farmers Dairy, com.	100	..
Farmers Dairy, pref.	100	105
Goodyear Tire, com.	170	..
Goodyear Tire, 6% pref.	99½	100
Goodyear Cotton, pref.	96	..
King Edward Hotel, Deb. A.	70	74
King Edward Hotel, Deb. B	58	63
Loew's Buffalo, pref.	30	35
Nat. Grocers, 1st pref.	94½	97
Nat. Grocers, com.	1	3
Mortgage Discount, pref.	6	6¾
Toronto Finance, pref.	3	4
Insurance—		
British America	30	..
Canadian Fire, Full Pd.	110	...
Canada Life	925	..
Canada National	15	18
Capital Life, 20% Pd.	23	25
Casualty of Canada, Full Pd.	185	..
Commonwealth, 10% Pd.	20	24
Confederation Life, 10% Pd.	75	..
Continental Life, 20% Pd.	54	58
Crown Life, Full Pd.	210	..
Dom. of Can. Guar. & Accident	300	325
Dominion Fire	100	..
Dominion Life, 50% Pd.	400	..
Excelsior Life 30% Pd.	75	...
Federal Fire, 25% Pd.	30	...
Fidelity of Canada, Full Pd.	120	135
Great West Life, Full Pd.	420	440
Imperial Life, 85% Pd.	375	...
Manufacturers Life, 40% Pd.	300	350
Monarch Life, 10% Pd.	40	42
Montreal Life, 20% Pd.	54	58
National Life, 25% Pd.	72	75
Ontario Equitable, 10% Pd.	30	33
Security Life, 40% Pd.	..	20
Sovereign Life, 25% Pd.	45	43
Sun Life, 75% Pd.	1025	1100
Toronto Casualty	27	30

Stock Market Record

WEEK ENDING AUGUST 16

	Div. Rate	Yield Aug. 15	High for wk.	Low for wk.	Close Aug. 16	Close Aug. 9	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	4.69	277	264	275	261	339	277	228
Dominion	12+1	4.72	275	246	274⅞	245	206	275	217
Can. Nationale	10	5.57	185	177	185	175	64	185	160½
Imperial	12+1	5.41	243	230	243	229	320	243	214
Montreal	12+2	4.18	337	320⅛	334	314	475	337	272
Nova Scotia	16	4.62	347	340	344½	340	560	350	298
Royal	12+2	4.65	302	298	299½	290	637	302	257
Standard	12	5.28	230	222	230	220	193	230	196
Toronto	12	4.80	250	248½	250	249	352	250	227
Paper—									
Abitibi, com. (no par)	5	4.92	103	99½	102	102	1561	103	82
Do. pref.	7	6.03	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.66	105	104½	105	104	585	105	101
Brompton (no par)	$2	5.67	36½	35	36	35	1437	36¾	31
Fraser, pref.	7	7.14	98⅛	97	98⅛	96⅝	40	99⅞	96
Inter. Paper, c. (no par)	2.40	4.21	58	54½	58	56	33200	60⅞	39½
Do. pref.	7	7.03	..	...	...	...	...	99½	98⅞
Laurentide	6	6.25	97¼	95½	96	97¼	891	110¾	90
Price Bros., com.	2	3.39	59	59	59	60	5	63	51¼
Do. pref.	6½	6.35	102⅛	102¼	103	102½	81	104	100
Smith, Howard, com.	.	...	63	62½	62½	62	215	68¾	59
Do. pref.	8	7.27	110	110	110	110	2	112	103½
Span. River, com.	7	6.86	103	102	102	103⅞	406	104½	97⅛
Do. pref.	7	5.88	119	118	119	119	175	120	110¼
Wayagamack (no par)	$3	4.61	69½	63¾	69	64	1985	65½	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	1	1	1	1	25	1⅜	½
Do. 1st pref.	.	...	..	...	...	...	...	29¼	10
Do. 2nd pref.	.	...	1¼	1¼	1¼	1½	185	4	1
Can. Car & Found., com.	.	...	36⅝	36⅝	36⅝	36¼	21	50¼	35
Do. pref.	7	7.95	89	88	88	88	40	94½	86¼
Can. Fairbanks, pref.	6	6.31	95	95	95	95	8	95⅛	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	1½	...	70	70	70	72	10	87½	66
C.G.E., com. (par $50)	.	...	51	50½	50½	49¾	25	60	49
Do. pref. (par $50)	7	6.03	59	57½	58½	58½	72	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	...	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.53	..	...	...	...	...	89	81½
Carr. Factories, com.	.	...	..	...	...	...	...	¼	¼
Dominion Bridge	4	2.17	186½	179	183¾	180½	2785	193½	116¾
Dominion Coal	.	...	75	75	75	77	21	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Radiator, pref.	7	6.96	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	..	...	...	...	...	32¼	20
Ford Motor	15		..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	8½	7½	8	8	605	15	7½
Do. pref.	7	8.75	80	80	80	85	15	95	80
Massey-Harris, c. (no par)	.	...	38	36	36	37¾	9431	42¾	29
Do. pref.	7	6.51	108	107½	108	107¾	362	109¾	103½
McKin. Ind., c. (no par)	.	...	24½	24½	24½	24	10	25½	15
Do. pref.	7	7.44	94	94	94	95	10	97	93½
Do. Vot. Trust	.	...	24	23	23	24	20	26¾	15
Ontario Steel, com.	4+1	5.26	..	...	...	...	...	95	73
Do. pref.	7	6.66	100	100	100	105	60	105	100
Page Hersey, c. (no par)	$3	3.85	78¼	72¼	77½	72	5416	78¼	55½
Do. pref.	7	4.48	156	145	155	145	1027	156	116
Pressed Metals, com.	3	...	..	...	...	...	...	46¾	34¼
Do. pref.	7	7.77	..	...	...	...	...	90	85
Russell Motor, com.	3	5.00	..	...	...	...	...	60	52
Do. pref.	7	7.36	95	93¼	93¼	95	20	99	90⅛
Steel of Canada, com.	7	4.92	146½	141	146½	140½	850	146½	117
Do. pref.	7	4.89	143	143	143	143	6	143	127
Milling and Foodstuffs—									
Alta. Pac. Gr., c. (no par)	.	...	23	22½	22½	22¼	175	27¼	19½
Do. pref.	7	7.95	90	88	88	90	69	92	85
Arnolds, c. (no par)	.	...	14½	13	14	14½	145	26	10½
Do. pref.	7	8.53	83	83	83	82	50	95	82
Atlantic Sugar, c. (no par)	..	...	23½	23	23	24	140	32	21¾
Do. pref.	.	...	..	...	...	...	...	101¼	90
B.C. Fishing, c. (no par)	$1.25	7.81	16½	16	16	17½	761	22	14⅝
Do. pref.	7	8.64	81	80	80	81	132	90	79
Can. Bak., c. (no par)	.	...	28¼	28¼	28¼	29	5	38½	26
Do. pref.	7	7.00	100	99¾	100	99¾	80	102	97
Can. Bread, c. (no par)	$6	5.00	120	118	120	118	305	120	90
Do. pref. (A)	7	5.88	119⅛	119⅛	119⅛	117½	10	119⅛	108½
Do. pref. (B)	7	6.30	111	110½	111	110	146	112¼	103
Can. Canners, com.	.	...	49	49	49	49	100	63½	21
Do. pref.	5	5.45	92½	91¾	91¾	91¾	56	97	76
Canadian Salt	8	5.94	..	...	...	...	...	136	123
Christie Br., c. (no par)	$1.20	2.00	60	59¾	60	62	195	66	38
City Dairy, c. (par $25)	3+1	2.81	145	142	142	145	85	152	79
Do. pref.	7	5.76	122	120	122	120	31	122	112
Cuban Can. Sugar, c.	.	...	..	...	...	...	...	5	1½
Do. pref.	.	...	27	27	27	27	10	37	27
Wm. Davies (A) (no par)	.	...	39¾	38½	38½	39¾	1075	45	25
Do. (B) (no par)	.	...	12	12	12	12	186	19½	9
Dom. Stores (no par)	$2.40	2.85	83⅝	82½	83	83½	170	85½	65
Ham. Dairies, c. (no par)	.	...	..	...	...	...	...	33	24
Do. pref.	7	7.29	..	...	...	...	...	98½	96
Inter. Milling, pref.	7	6.60	106	105	106	105	97	107	104
Lake of Woods, c.	12	8.57	140	139	140	139	55	160	130
Do. pref.	7	5.93	..	...	...	...	...	118	110
Loblaw, com. (no par)	$1	1.88	56	52	56	52	143	56	48
Do. pref.	7	6.36	..	...	...	...	...	111	107
Maple Leaf Mill., c.	.	...	60	59	59	58	87	73⅛	49
Do. pref.	7	7.14	98	96¼	98	96¼	108	101¼	94
Ogilvie Flour, c. (no par)	5	1.79	280	275	279¾	273	46	290	205
Do. pref.	7	5.60	..	...	...	...	...	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.00	22	22	22	22	24	22	19⅛
Shredded Wh., c. (no par)	$3	4.81	62¾	62	62¾	62¾	268	70½	55
St. Law. Flour, c.	.	...	..	...	...	...	...	31½	25
Do. pref.	7	8.23	79½	79½	79½	81	25	85	80
Viau Biscuits, c. (no par)	.	...	..	...	...	...	...	26	17
Do. pref.	7	8.00	88	87½	87½	86	40	92½	83½
W. Can. Fl., c. (no par)	$1.40	6.08	..	...	...	...	...	29½	22
Do. pref.	6½	6.37	102	102	102	101	15	103¼	100
W. Groc., c. (no par)	$1	...	..	...	...	...	...	29	18
Do. pref.	7	9.03	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.34	150⅛	149	150	150	618	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.52	182	181	181	180	71	182	171½
East. Koot. Pr. (no par)	.	...	26	26	26	26	90	29¼	26
Do. pref.	7	7.36	..	...	...	...	...	98½	95
Inter. Util. (A) (no par)	$3.50	8.97	40¼	40	40¼	40	235	42	28
Do. (B) (no par)	.	...	..	...	...	...	...	7⅝	4½
Jamaica Pub. Ser., pref.	7	6.94	100¾	100¾	100¾	100	1	100¾	97
Laurentide Power	5	4.58	109	108	109	107	75	120	107
Mackay, com.	7	5.76	131	114	130½	113½	1454	127½	108
Do. pref.	4	5.75	70	68	68½	68	351	74	67
Mexican Light, c.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	..	...	...	...	...	120	77¼
Mont. L H & P. (no par)	$2	2.27	89	83⅞	89	84	12567	89	68⅛
Montreal Teleg. (par $40)	8	5.20	..	...	...	...	...	51½	49
Nor. Mex. Pr., c.	1	...	79	76	79	76½	240	83	42
Do. pref.	7	7.44	..	...	...	...	...	94	82½
Ot. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	30	26
Do. pref.	7	7.00	..	...	...	...	...	100	96
Ott. L. H. & Pr., c.	6	6.25	107½	107½	107½	107½	10	108	98½
Do. pref.	6½	2.26	104	104	104	104	5	107½	102
Quebec Power, c.	6	2.29	278¼	261	278	261	1786	311	190
Shawinigan (no par)	$2	2.51	82½	77½	83	78	9063	93¾	67
S. Can. Pr., c. (no par)	2	2.15	92½	92½	92½	93	30	97	85
Do. pref.	6	5.94	101	100½	101	100½	63	102½	99½
Transportation—									
Can. Pacific Rly.	10	5.31	189⅛	186	198⅛	187½	124	194½	166
Can. Steam., c. (no par)	.	...	36¾	36½	36¾	36½	610	42	35
Do. pref.	6	6.70	90	89	89½	90	710	94¾	82½
Do. voting	.	...	..	...	...	...	...	37½	32½
Tractions—									
Barcelona (par $50)	1	....	65	64	64	64½	100	65	33½
Brazilian, c.	6	3.54	171	166⅛	170½	167¼	28533	172	102½
Do. pref.	6	4.25	141	138	140	140	578	143½	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	2
Duluth-Superior	$2	7.69	26	26	26	26	25	30⅝	25
Illinois Trac., pref.	6	6.09	..	...	...	...	...	98½	98½
Minneapolis S.S.	.	...	..	...	...	...	...	48½	42½
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.40	..	...	...	...	...	200	169
Ottawa Traction	4	6.06	66	66	66	67	80	70	64
Porto Rico Rlys., c.	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, c.	4	7.51	52	51½	51½	52¼	35	66	48⅝
Do. pref.	7	6.79	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	2.56	78	76¼	77⅞	76	1417	79¾	60¾
Do. pref.	7	6.66	105	103½	104	103½	88	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	8.88	45	44½	45	44½	760	50	36
Can. Converters	7	7.07	99	99	99	99	1	107½	92
Can. Cotton, com.	8	6.95	..	...	...	...	...	132	115
Do. pref.	6	5.97	100½	100¼	100½	100½	20	100½	95
Can. Woollens, com.	.	...	8⅛	8	8⅛	5	15	10	5
Do. pref.	.	...	60	60	60	60	25	63½	59¾
Cosmos Imp., c. (no par)	.	...	27¾	27	27½	27¾	2287	27¾	18
Do. pref.	7	7.16	98	97¼	97¾	97¾	133	101	91¼
Dom. Textile, c. (no par)	$5	4.34	116	115	115	115	889	120⅝	105
Do. pref.	7	5.69	123	122	123	122	51	123	117
Monarch Knit, c.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	51½	51½	51½	51½	5	54	49
Montreal Cottons, c.	6	5.21	115	115	115	115	27	117	110
Do. pref.	7	6.14	..	...	...	...	...	118	114
Penmans, c. (no par)	$4	5.33	76	75	76	75	105	79	70
Do. pref.	6	5.88	105	105	105	102	16	105	101
Wabasso Cotton (no par)	6	6.34	94½	93½	94	92	160	116	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.55	61	61	61	60½	5	75	60
Do. pref.	7	6.84	102	100	102	101	25	102	97½
Asbestos Co., c. (no par)	.	...	27¼	23¾	27½	23⅝	7210	22¾	20
Do. pref.	7	7.77	91	88	91	88	1927	91	82¾
Brant. Cord., pf. (par $25)	8	9.52	21¾	21	20¾	21¾	55	25	21
Building Products, pref.	7	7.10	98½	98	98½	98	30	98½	93½
Burt, F. N., c. (par $25)	$3	4.91	61	60	60½	61	250	66	56½
Canada Cement, c.	6	3.79	160	149	159¾	152⅝	4457	160	124½
Do. pref.	7	5.64	124	122	123	123½	138	124	116
C. Ind. Alc. (no par)	$1.28	3.66	34⅞	32¾	34⅝	34½	11835	35	21¼
Can. Oil, c. (no par)	$1	4.50	..	...	...	...	...	24⅞	21
Do. pref.	8	6.83	..	...	...	...	...	121	115½
Can. Bronze, c. (no par)	.	...	46	45	46	45½	621	50¼	43
Do. pref.	7	6.96	101	100	101	100½	90	101	98½
Crow's Nest Coal	6	11.53	..	...	...	...	...	71⅛	50
Dom. Glass, c.	7	5.93	119	118	119	119	75	125½	104
Do. pref.	7	6.14	..	...	...	...	...	115	111½
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	30	24
E. Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.21	..	...	...	...	...	97	92½
Famous Players, com.	.	...	30½	30	30½	30¾	10	31	20
Do. pref.	8	8.42	95	95	95	95	10	101	93½
Gilman, com.	6	5.45	..	...	...	...	...	112	110
Do. pref.	7	6.08	115	115	115	115	10	125	110
Goodyear Tire, pref.	7	6.96	100½	100	100½	100	126	109	94½
Hayes Wheel, c. (no par)	.	...	32½	31½	32½	34	85	34	27¾
Do. pref.	7	7.29	96	96	96	96	5	97	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	.	...	..	...	...	...	...	25¼	20
Do. pref.	7	7.60	92	92	92	90	20	95	90
King Edward Hotel	$1	...	..	...	...	...	...	60	20
Lake Ont. Brew. (no par)	50c	...	28¼	28	28	27½	350	30	24
L. Secord, c. (no par)	.	...	33	33	33	33	10	35	26
Do. pref.	7	6.36	110	109	110	109	105	112	102
Lyall Construction	.	...	29½	29½	29½	36	10	45¾	25
Loew's, com.	.	...	43	43	43	42	5	47	38
Do. pref.	7	6.84	..	...	...	...	...	105	96½
Muirhead's, c. (no par)	.	...	..	...	...	...	...	9¾	8¾
Do. pref. (par $10)	1	...	10⅞	10⅞	10⅞	10⅞	5	11¼	10⅞
Nat. Brew., c. (no par)	4	5.63	71¾	70	70	70	4901	73½	65
Do. pref.	7	6.48	108	108	108	107½	30	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	12.50	..	...	...	...	...	81	56
Pacific Burt, com.	6	6.18	..	...	...	...	...	100	87
Do. pref.	7	6.43	108¾	108¾	108¾	109	15	109	102
Port Hope San., com.	3	2.14	..	...	...	...	...	145	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	71	71	71	70	10	80	64
Do. pref.	7	7.00	100	100	100	100	30	102	92
Seagram (no par)	.	...	23½	21	22½	22½	4490	28⅞	15
Sher-Williams, com.	6	3.75	160	160	160	160	15	170	142
Do. pref.	7	5.88	119	118½	119	118	10	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	..	...	...	...	...	20	19
Do. pref.	7	7.60	..	...	...	...	...	92	92
Sterling Coal	4	13.33	..	...	...	...	...	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.33	..	...	...	...	...	72	68¼
Tuckett Tobacco, com.	4	5.29	76	75½	75½	76	205	76	69
Do. pref.	7	6.63	105½	105	105	105	108	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.18	..	...	...	...	...	89	78
Trust and Loan—									
Can. Landed (par $50)	10+1	5.39	..	...	...	...	...	102	94
Can. Permanent	12	5.39	..	...	...	...	...	223½	216⅛
Colonial Invest. (par $10)	6	...	..	...	...	...	...	7	5
Huron & Erie	7—½	4.96	..	...	...	...	...	152⅛	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.89	..	...	...	...	...	246	220
Toronto Mtge. (par $50)	10+1	5.27	105½	105½	105½	102¼	20	105⅛	100
Union Trust	7	6.16	113½	113½	113½	113	5	113½	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Aug. 15	High for wk.	Low for wk.	Close Aug. 16	Close Aug. 9	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	7	7.12	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	17	16½	17	16½	195	35½	14
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	16½	16	16¼	16¾	655	20¾	15
Belding, com.	6	8.21	73	72	73	72	30	88	67
Do. pref.	7	7.23	..	...	...	...	...	100	96¾
Brading Brew. (no par)	$2	...	..	...	...	...	...	35½	20
Brew. & Distil. (par $5)	5	...	6½	6½	6½	6½	200	6½	4½
Brit. Amer. Oil (no par)	80c	3.09	27	26	26½	27	6003	28	20
Can. Brewing (no par)	.	...	25	23	25	25	97	30¼	23
Can. Celanese (no par)	.	...	74¾	74	74½	74½	615	77½	52¾
Do. pref.	.	...	91	91	91	94	15	92	88
Can. Light & Power	.	...	..	...	...	...	...	55	20
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	53½	42
Do. pref.	7	7.14	..	...	...	...	...	100	98
Carling Brew. (no par)	.	...	28⅞	25½	28¾	25½	8707	28½	22⅞
Cockshutt, pref.	4	5.46	79	73¼	79	75	620	82	67
Continental Oil	$1	...	16⅝	16½	16⅝	16½	82	22¼	16½
Cosgrave Brew. (par $10)	7	7.77	9½	9	9½	9½	875	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	54	50½
Com. Alcohol (no par)	.	...	15½	15½	15½	15½	10	70	15
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Dom. Engineering	8	4.21	..	...	...	...	...	190	135
Dom. Power, pref.	7	6.98	100⅜	100⅜	100⅜	100	15	101	100
Dryden Power (no par)	.	...	14½	14	14	14½	1255	15½	9½
E. Dairies, c. (no par)	.	...	27½	27	27½	27	30	29¼	20½
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Foothills Oil	.	...	2.60	2.50	2.55	2.60	2415	3.25	2.00
Good. & Worts (no par)	$1	2.08	47¾	45½	47½	47¾	3876	64	43¼
Chas. Gurd, com.	.	...	36	35½	36	36	539	38	28⅞
Do. pref.	.	...	93	93	93	94	10	94	93¾
Hiram Walker (no par)	$2	4.25	47½	43	47½	45	3070	57¼	28½
Illinois Power, pref.	7	7.00	..	...	...	...	...	101	98
Imperial Oil (no par)	$1+50c	3.15	48½	44¾	49	48	6877	50½	37¾
Imp. Tob., c. (par $5)	6	3.75	8	8	8	7⅞	10	8½	6¾
Inter. Petrol. (no par)	75c	2.50	31⅛	30¼	31⅛	31	1160	35¼	28
Inter. Power, com.	.	...	18½	18½	18½	18½	200	18½	14½
Do. pref.	.	...	..	...	...	...	...	90½	85½
Loew's London, com.	25+5c	...	..	...	...	...	...	5¾	4½
Manitoba Power (no par)	.	...	60	58½	58½	58½	863	59	50
McColl, com. (no par)	80c	2.05	40½	38½	40½	39½	1043	41	22½
Do. pref.	7	5.98	119	29	29½	117⅝	647	120	29
Mitchell, J.S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	47½	47½	47½	40	30	55¾	40
Perfection Glass	.	...	..	...	...	...	...	8	7
North. Bak. (no par)	.	...	30	27¾	29	29¾	2705	36¾	25
N. Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	4.97	4.97	4.97	4.91	200	5.01	4.90
N.S. Car, com. (no par)	.	...	22	22	22	22	65	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	7.14	..	...	...	...	...	49	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	25
Do. pref.	.	...	..	...	...	...	...	100	95
Port Alfred, pref.	7	12.72	55	55	55	95½	200	97½	55
Power Corp., c. (no par)	.	...	44	43	43¾	43⅞	1553	45	27¼
Do. pref.	6	6.34	94½	94	94	95	20	97½	94
St. Maur. Power	.	...	126	120	126	124	100	150	96
St. Maur. Valley, com.	.	...	56	56	56	56	155	57½	47
Do. pref.	7	7.21	..	...	...	...	...	98	94½
Simpson, Robt., pref.	6	5.88	102	102	102	102	5	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	50	45	50	43¼	315	54	35
Do. pref.	8	7.54	106½	106	106	105	55	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	12	12	12	12	12	13¼	12
United Secs., com.	.	...	..	...	...	...	...	70½	43½
Do. pref.	6	5.76	105	104	104	104	96	105¼	103¼
Volcanic Oil	$2.52	...	24½	24	24½	23½	506	47¼	23
Do. Rts.	.	...	1.35	1.15	1.15	1.15	372	150	95
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	19	18
Zimmerknit (no par)	.	...	20	18½	20	18½	315	19	18
Do. pref.	7	7.69	91	91	91	91	40	91¼	91

xQuotations for 1926. No sales recorded in 1927 to date.

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Pulp & Paper

Newsprint Output Has Marked Drop

Less Activity in Canadian Mills, Which Are at 80%

From Our Own Correspondent.

MONTREAL.—The newsprint production figures, published by the Newsprint Service Bureau, show that there was a decided slackening in the activity of the Canadian newsprint mills during the month of July. In June the mills operated at 85 per cent. capacity, whereas in July the figure dropped to 80.5 per cent. Total production from Canadian mills in June was 162,564 tons as compared with 170,590 tons in the preceding month.

The output of the U. S. mills also declined from 125,284 tons in June to 118,929 tons in July. The activity in the U. S. newsprint mills though, remains practically the same as in June and the mills there operated in an average of 81.5 per cent. capacity.

In view of the tremendous expansion industry in Canada, it is interesting to note from the figures that the total production of Canadian and U.S. mills in the first seven months of this year increased but fractionally from the output in 1926. Production in the seven months period amounted to 2,054,459 tons as against 2,041,415 tons of a year ago. There has, however, been a larger increase in the total North American production; this increase during the first seven months was only some 50,000 tons and is largely accounted for by the increased production from Newfoundland.

Stocks on Hand Are Up

Stocks of newsprint at the U. S. and Canadian mills show some increase from last month and at the end of July amounted to 60,036 tons — a figure which compares with 29,504 tons on hand at the mills at the close of July in 1926. In fact, mill stocks are at present larger than they have been at the close of any July during the past nine years.

It is significant to note also that despite the expansion in the industry, the Canadian mills in July produced no more newsprint than during July one year ago. At that time the mills were operating at practically 100 per cent. capacity. It can be seen therefore that as the Canadian mills operated at only 80 per cent. capacity, the productive capacity of the Canadian plants is about 25 per cent. in excess of the present demand for newsprint paper.

Newsprint Mills for the Prairies

C. P. R. Bulletin.

Newsprint manufacture continues to increase in Canada as new mills are steadily being added. Fourteen new newsprint machines started in 1926 accounted for an increase of 1,513 tons per day in production, and 22 additional mills scheduled for 1927 are to add a further 2,315 tons per day. The newsprint industry has long been established and rapidly expanded in all the eastern provinces. It sprang up and saw similar growth in British Columbia. Now the forests of the Prairie Provinces are being called upon to furnish raw material for newsprint demands.

Needs 8,000,000 Cords of Wood

One of the most outstanding recent items of interest in the Canadian newsprint industry is the application before the Federal Government for a pulpwood berth on the Nelson River in Manitoba, capable of supplying a newsprint mill of 400 tons per day. This lies contiguous to the Hudson Bay Railway, being between the Nelson River and Lake Winnipeg, and is the second berth sought in the Province of Manitoba. The Manitoba Paper Company already has obtained a berth with 6,000,000 cords of wood on the east side of Lake Winnipeg, and has built a mill at Pine Falls with a capacity of 300 tons per day, described as the largest industrial enterprise in the province.

A 400-ton-per-day mill, according to experts, will require a berth containing at least 8,000,000 cords of pulpwood. Power for the mill will be obtained from White Mud Falls on the Nelson River, one of the greatest power sites in the Dominion. An option on these falls, it is understood, has been secured by the financial group behind the new pulpwood application. The falls are, in fact, capable of furnishing a great deal more power than the mill will need, and this is expected to be utilized by the growing mining area north and east, and thus further Manitoba's mining development at the same time.

Second Mill in Manitoba

The founding of a second newsprint mill in Manitoba would mean a great deal to the province not only in its intrinsic but also tributary activity. A 400-ton mill would necessitate an outlay of about $8,000,000, and the development of White Mud Falls would require considerable additional capital. The mill would find employment for two thousand men, and apparently surpass in volume of output any of Manitoba's present industrial enterprises.

This projection draws further forcible attention to the timber possessions of the Prairie Provinces, which in this respect belie their name. The lumber industry has long thrived there in all three provinces and its production goes no inconsiderable way to meet domestic requirements. The newsprint industry is rapidly going to them. Manitoba is about 70 per cent. wooded, and the province has been estimated to contain 1,920,000 feet of saw timber, or 4,000,000 B.M. In the sister province of Saskatchewan the area actually timbered with merchantable trees is about 750,000 acres. The Province of Alberta is estimated to contain about 21,000,000 feet of saw timber. Altogether the Prairie Provinces contain about 8,000,000 acres of commercial timber lands, and there are in addition large resources of pulpwood upon which no really accurate estimate has been made.

Canadian Paperboard Will Erect Mill in Toronto

From Our Own Correspondent.

MONTREAL.—It is understood that the Canadian Paperboard Company has effected satisfactory arrangements leading to the erection of a new 60 ton paperboard mill on the Toronto water-front. It is thought that plans for the new structure are well under way. Building operations will probably start shortly and the plant should be in operation within a year's time. The new plant will make the fourth unit in the Canadian Paperboard Company's chain of mills. Its other plants are located at Montreal, P.Q., Frankford and Campbellford, Ont.

International's Gross Larger in Half Year

From Our Own Correspondent.

MONTREAL.—Notable gains in total revenues are seen in the consolidated earnings statement of the International Paper Company for the first six months of 1927. The six month's figures compare as follows with those of the corresponding period of a year ago.

	—Six months—		Changes
	Ending June 30, 1927	Ending June 30, 1926	Year to date
Total rev.	$7,071,551	$4,431,662	$2,639,888
Depreciation	2,095,480	1,826,025	269,455
Interest	2,224,720	1,253,603	971,117
Amortization	169,096	74,818	94,278
Income tax	175,000	......	175,000
	4,664,298	3,154,446	1,509,851
Net revenue	2,407,253	1,277,216	1,130,037
Pref. divs.	1,457,667	1,099,109	358,557
Com. divs.	773,467	250,000	523,467
Total divs.	2,231,134	1,349,109	882,024
Balance of net	176,119	*71,893	248,012
Paid in surp.	29,750	68,790	†39,040
Surp. inc.	205,869	*3,103	208,972
Surp. begin.	22,258,080	21,857,217	400,862
Surplus	22,463,949	21,854,114	609,834

*—Deficit.
†—Decrease.

The statement also gives a comparison of earnings for the quarters ending June 30, 1927 and 1926. The gross revenue for the quarter increased from $2,643,867 last year to $3,896,971 this year—an increase more or less proportional to that experienced during the first six months.

Optimistic Forecasts Made Regarding Wayagamack

From Our Own Correspondent.

MONTREAL.—Optimistic forecasts are being freely made regarding the earnings which the Wayagamack Pulp and Paper Company will make during the current year which ends November 30 next. Estimates of net profits as high as $1,000,000 are being made. Last year, the company's net amounted to $1,155,982, but this figure included $500,000 in profits obtained from the purchase of, and the sale of a portion of the equity in Anticosti Island.

The satisfactory results being obtained by Wayagamack are traced to the good markets which prevail for sulphate pulp and kraft paper. All the other pulp and paper markets are depressed, with the single exception of kraft.

While the newsprint situation shows no improvement, yet during the current year Wayagamack will probably be able to obtain profits from its newsprint mill which most certainly is earning the interest charges on the securities which financed the undertaking and is leaving over a surplus available for the Wayagamack Pulp and Paper Company. The company's newsprint activities are carried out through a wholly-owned subsidiary, the Wayagamack News, Limited.

Spanish River Undertakes Extended Aerial Survey

From Our Own Correspondent.

MONTREAL.—The Spanish River Pulp & Paper Mills is surveying by air over 350,000 acres of pulp wood in those townships adjacent to Lake Wahnapitae and near West Tree, Ont. The work is being carried out by the Fairchild Aerial Surveys Company, of Montreal. The system of aerial surveys of timberland is one much in vogue in Quebec but has only been recently introduced into Sudbury district.

St. Maurice Valley Shares Now Listed in Montreal

From Our Own Correspondent.

MONTREAL.—The preferred and common shares of the St. Maurice Valley Corporation have been listed on the Montreal Stock Exchange. Up to this week, the shares changed hands only on the Montreal Curb Market, and the listing of the stock on the larger board will probably mean a wider and more stable market. Recently, the preferred shares have been changing at around 97, while the price quoted on the Curb for the common has been around 55.

The corporation came into being in November, 1925; thus the annual report for the 1926 year covered a thirteen months' period in which earnings, after all charges, on the preferred amounted to 25.27 per cent. and on the common to $8.61 per share. At its inception, the corporation acquired the ownership of the St. Maurice Paper Company's plant at Three Rivers, and practically all the common stock of the Belgo-Canadian Paper Company. Since its formation the common shares of the Canada Paper Company and one-third of the common stock of the Anticosti Corporation have also been acquired. The rated newsprint capacity of its plants amounts to well over 900 tons daily, and in addition it produces about 90 tons of sulphate pulp, 15 tons of wrapping and 15 tons of specialty and colored papers.

PROGRESS AT SPRUCE FALLS

MONTREAL.—Satisfactory progress is being made on the construction work of the new paper mill of the Spruce Falls Power and Paper Company. The mill is being erected at Kapuskasing. Ontario. The company is a subsidiary of the New York Times. All the electrical construction work is being carried out by the Canadian Comstock Company.

CONTAINS LESS WOOD

MONTREAL. — Hon. Charles Stewart, Minister of the Interior, has stated that the survey of the timber limits of the Manitoba Paper Company indicates that the limits contain about 4,000,000 cords, instead of 6,000,000, as was originally estimated.

Between August 27th and September 12th, there will be five exhibitions in Eastern Canada, at Toronto, Fredericton, Saint John, Sherbrooke and Quebec.

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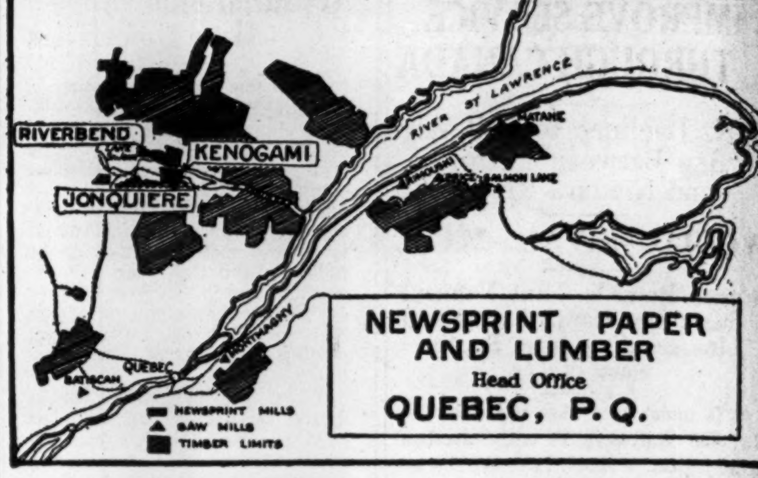

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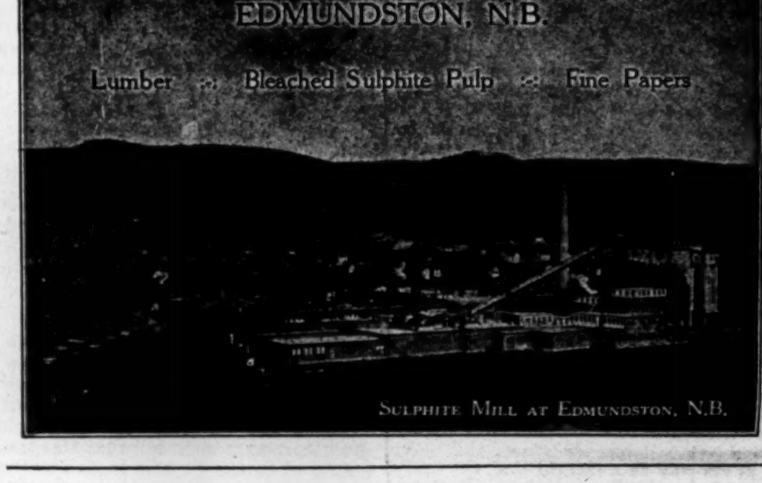

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SOO LINE BONDS HAVE NOT COME BACK SINCE WAR

Securities of C. P. R. Subsidiary Still at Low Level

The operating difficulties experienced by Minneapolis, St. Paul and Sault Ste. Marie, the largest American subsidiary of C. P. R. during the years since the war have precluded for its outstanding obligations a selling price in any degree approaching the level established for its securities in the days prior to the war. At that time the road's various bond issues enjoyed a high investment standing and were quoted at prices to return very low yields. For example, a few years before the war its first consolidated 4s returned approximately 3.85 per cent. on the investment, or no more than is to-day to be realized on high grade municipal.

Has Not Regained Earning Power

Soo Line is one of the few railroads of the United States which has yet to recover the stable earning power which it enjoyed prior to 1917. It is in reality a sizable road, owning control, as it does, of Wisconsin Central, leased for 99 years from 1909. It is through the Wisconsin Central that Canadian Pacific gains its entry to Chicago. In addition Soo Line controls Chicago Terminal. In all, its lines total some 4,042 miles serving a largely agricultural northwest territory.

The first consolidated 4s of 1938 are currently selling about 88 to yield approximately 5.85 per cent. The first consolidated 5s of 1938 are selling to yield about 5.30 per cent. at 97¼ and other issues are quoted to yield even higher. For example, the refunding 6s, series A of 1946, yield over 6 per cent. at 99½ and the 6½s of 1931 at 100½ yield close to 6.50 per cent.

The first consolidated 5s. of 1938 are guaranteed by the Canadian Pacific Railway, the controlling company, as to interest. This guaranty applies to $8,000,000 first consolidated 5s out of $71,000,000 bonds issued of that mortgage and the guaranty also applies to the $57,000,000 first consolidated 4s. of 1938. One of the features of the Soo Line situation at the present time is that the first consolidated mortgage has become a closed direct first mortgage lien on all the lines, including over 4,000 miles of railway and terminals.

Earnings Yet Are Poor

While the current selling prices of Soo Line issues are extremely low and the available yields surprisingly high in view of the general selling level of railroad securities, present prices and income return are largely explained on the basis of the road's earnings for the past several years. In 1921 Soo Line failed to earn its interest charges by the amount of $3,472,158. In 1922 the deficit before interest charges was $1,674,992. In 1924 there was a balance of but $20,825 after interest and other charges.

In 1925 the road returned surprisingly good earnings and showed surplus after charges of $2,072,589. While this figure does not represent an unusually high margin of safety over such charges, it nevertheless contained the assurance that the territory held some of the earning possibilities of the pre-war period when Soo Line was on such a prosperous operating basis that it was able to finance its needs through stock issue.

While 1925 represented a year of comparatively good returns, the road's earning results during the past several years have on the whole been such as to discourage sound investment sentiment in its bonds and junior issues.

Not Enough Traffic Diversification

Soo Line is not in as advantageous a position as some of the larger northwestern railroad systems. It operates in a good territory but it does not serve as many states and its sources of traffic are not so diversified as is the case of some of the larger roads. The situation of unfavorable crops in its territory, therefore, is apt to result in considerable hardship for Soo Line and it may be said that the question of good or poor crops can generally determine whether operations are to result in a profit or a deficit. Were its source of traffic more diversified and derived from a larger territory the road's earning power would not be subject to such wide fluctuation and it is this situation which has resulted in current prices for its securities.

Operating Expenses Are High

Controlled as it is by Canadian Pacific, Soo Line may be said to have the moral and financial backing of one of the foremost transportation systems of the world, strong in cash and assets. Together with Wisconsin Central, acquired by Soo Line in 1909 by exchange of common stock of Wisconsin Central for leased line certificates of Soo Line, about 4,042 miles are operated, giving Canadian Pacific an entrance at Portal, No. Dakota, Noyes, Minn. and Sault Ste. Marie, Mich., to Chicago, Duluth, Minneapolis and St. Paul.

The first consolidated mortgage of the Soo Line represents a first lien of 2,796 miles, a second lien of 505 miles and a lien on the leasehold interests in 1,044 miles of the Wisconsin Central Railway.

One of the chief troubles of the Soo Line in the past decade has been its inability to keep operating expenses down. Its inability in this respect has been one of the chief obstacles to financial prosperity of the road. However, the company is making headway on this account as is evidenced by the fact that operating ratio last year and this year to date has been reduced somewhat from the figure existing a few years ago. Present crop outlook for the northwest states is good and should these prospects continue through to harvest, it is possible that Soo Line securities may experience an advancing price tendency, due to the earnings which in that case would be reported to the road.

MACKAY REGAINS MUCH OF GROUND LOST THIS YEAR

Common Shares Again Approach Normal Price in Late Twenties

The common stock of Mackay Companies has recovered in the last week or two much of the ground it lost earlier this year. Apparently investors in this stock have decided that, after all, little was to be feared from the competition of the beam wireless.

Clarence Mackay, president of the companies, on July 15th, stated to The Financial Post that nothing had occurred since the annual meeting to change his opinion that the cable companies had nothing to fear from the wireless. He pointed out that transmission of messages by cable had increased 65 per cent. in the last five years. He believes, he said, that the wireless, while competing to a certain degree, would develop more as a supplement to the cable than as a replacement of cables.

Is Study in Near Crisis

Mackay common has ranged between 127½ and 108 on the Toronto Stock Exchange this year. The recessions were gradual from early in the year and about a month ago it was evident that investment holders of the stock were becoming alarmed. Since then, however, a new spirit appears to have permeated investors. The stock is now selling around 121, which shows that much of the lost ground has been regained. Perhaps the fact that the stock was steady in the recent recessions of more speculative securities had something to do with the revivifying of confidence among investors. At present prices, the stock yields better than 6 per cent.

About the greatest objection to this stock, from the viewpoint of the average small holder, is that little information is gained as to the welfare of the company and its progress from year to year. True, annual reports are published, but these annual reports show nothing of the operations of the subsidiary companies. Mackay Companies take merely sufficient from the operating companies for dividend purposes and gains and losses of subsidiaries never are revealed.

Montreal's two sky-scrapers, now under way, for the Royal Bank and the Sun Life, are to be followed by a third for the Bell Telephone Co. A building permit of $2,500,000 has just been granted by the city for this purpose.

WABASSO COTTON PROFITS HIGHER IN FISCAL YEAR

Annual Report Reveals All Round Betterment in Company's Position

From Our Own Correspondent.

MONTREAL.—The annual report of the Wabasso Cotton Company for the fiscal year ending June 30 last makes pleasant reading for the shareholders. The decided betterment in the company's earnings and in its working capital position is seen in the following comparison of figures:

	1926-27	1925-26	1924-25
Oper. profit	$456,920	$313,438	$285,749
Int. on inv.	82,042	82,177	90,318
Total inc.	538,962	395,615	376,067
Depreciation	150,000	100,000	100,000
Bond int.	96,285	98,629	100,092
Sink. fund	19,760	18,465	17,240
Net profit	272,918	178,521	158,735
Dividends	197,297	140,000	140,000
Surplus	75,621	38,521	18,735
Prev. surp.	673,519	634,998	616,263
P. & L. bal.	749,140	673,519	634,998
Earn. per share	$7.79	$5.10	$4.54
*No. of shs.	35,000	35,000	35,000

*—On which dividends were paid.

Working Capital Position

	1927	1926	1925
Cur. assets	$2,127,241	$1,557,094	$1,420,114
Cur. liabs.	1,232,889	989,782	841,751
Net wk. capital	894,352	567,312	578,363

Depreciation Is Larger

In the foregoing figures it is to be noted that the depreciation allowance for the year was $50,000 larger than in 1926 and in 1925, and that even with this larger appropriation the surplus and the net profits above dividend requirements were materially increased.

The earnings on the 52,500 shares of stock now outstanding were equivalent to $5.19 per share. The foregoing figures show the comparison of earnings per share on the old outstanding capitalization. The increase in the dividend payments this year was practically entirely accounted for by the bonuses amounting to $52,500 which were paid out.

The balance sheet shows that the total assets, now amounting to $8,054,024, were increased by over $1,000,000 during the year. Most of the increase is found in the property account, but the company has also largely increased its holdings of Victory bonds which last year amounted to $294,654, but which at the close of the past fiscal year totalled $614,654. Inventories at the close of the year showed a fair increase as compared with a year ago.

Has Increased Its Capital

On the liability side of the balance sheet the bank loans have been increased from $150,000 to $200,000 and accounts payable is now carried at $694,717—an increase of about $100,000 from a year ago.

The surplus and depreciation account shows the satisfactory increases noted in the foregoing income account figures. Other changes in the balance sheet are not of a significant character.

At the beginning of its last fiscal year, the Wabasso Cotton Company had outstanding 35,000 shares of no par value. During the year the outstanding capitalization was increased by an additional 17,500 shares. The last payment to be made by the shareholders for the new stock falls due October 1 next. Thus, a year ago the capital stock was carried in the liabilities at $1,750,000 but it is now shown at $2,352,888 representing 35,000 fully paid shares and 17,500 partly paid up shares.

Commercial Failures Change Little from 1926 Record

Canadian failures in trade for the first six months of 1927 were 397, as compared with 406, 613 and 734 for the same period of 1926, 1925 and 1924.

In manufactures there were 203 failures in 1927 as against 169, 195 and 172 for the corresponding period of the three preceding years.

Agricultural failures showed a decline from 108 in 1924 to 87 in 1925, 68 in 1926 and 62 in 1927.

The cumulative total of commercial failures for the first six months of 1927 as reported to the Dominion Bureau of Statistics under the provisions of the Bankruptcy and Winding Up Acts was 890, as compared with 857, 1,097, 1,280, 1,996 and 1,896 for the same period of 1926, 1925, 1924, 1923 and 1922 respectively, this being a slight increase over last year, but showing a decided decrease from the years 1925, 1924, 1923 and 1922 respectively. The defaulted liabilities for 1927 were $14,358,932, as compared with $14,194,835, $17,314,681, $27,283,017, $35,280,185 and $32,611,942 for the five preceding periods. Thus defaulted liabilities showed a considerable decline from 1922, 1923, 1924 and 1925, and a slight increase over 1926.

Canada Cement Shares Reach New High Levels

From Our Own Correspondent.

MONTREAL.—There have been no new developments in the situation surrounding the Canada Cement Company to account for the rise in the stock to new high levels. Building and construction projects all over Canada enhance the outlook for the company and this factor, coupled with its strong financial position, alone are responsible for the strength in the shares. Moreover, Canada Cement stock is closely held and reacts sharply to any real demand for the shares.

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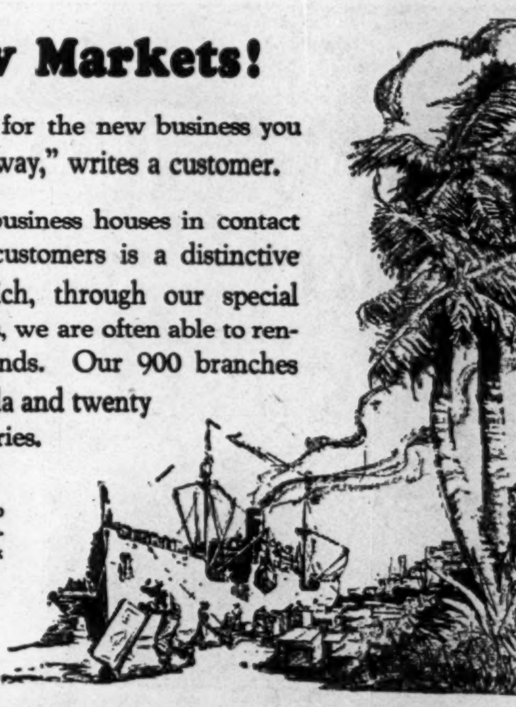

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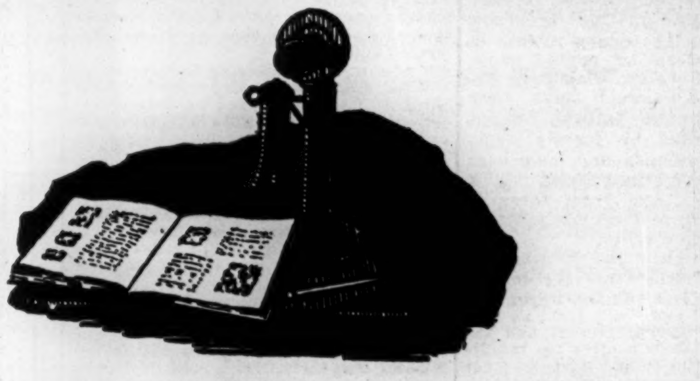

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The tattered old catalogue with its torn sheets, antiquated illustrations and useless price lists often proves more of a hindrance than a help in selling. And yet many a manufacturer permits it to remain as his representative.
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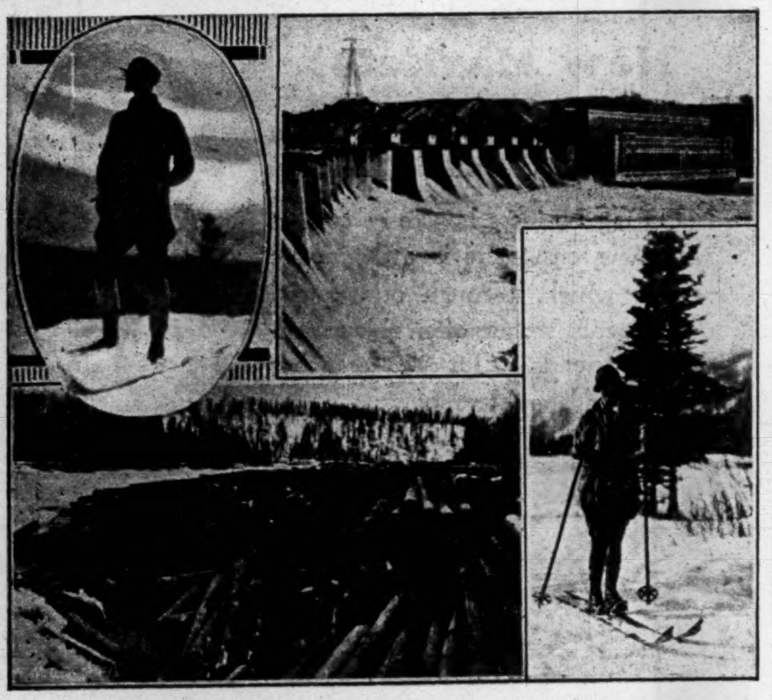
MONTREAL, CANADA
11

To Prove That Snow is Canadian Asset



Snow in Canada attracts tourists to our winter sports; it provides reserve water for our power plants; it makes highways through the woods for lumbering operations and it makes it possible for logs to be stored on the rivers in winter to go to the mills in the spring break-up.

Snow is National Asset to Canada

It Provides Transportation for Lumber Industry, Reservoir for Power Plants, Protection for Crops and Moisture for Farms—Brings Tourists to Canada

By JANET MUNRO.

Is Canadian snow to be reckoned as an asset or is it a climatic drawback to which industry annually adjusts itself?

Kipling considered us prayerfully in "Our Lady of the Snows." One must, however, allow for Kipling's point of view. In the deep soil of England where the primary highland is almost indistinguishable from the secondary plains, and where moisture is heavy and prolonged in the narrow setting of the North Sea, precipitation in the form of continued snow would form a soggy blanket and render the fecund soil a sour, barren bog. Where there are no waterfalls the element that becomes an asset in Canada becomes a national curse.

Snow and Water Power

In this age of white coal the relation of snow to water power is one of the aspects which concern us. Canada has a primary highland of stupendous height and many ribs, a secondary highland comparatively high and carrying the eastern area on the back of its curved palm. Between stretches a great plain of loamy and loose formation on its western step next the primary highland and of, generally speaking, heavier soil content along with its eastern boundary next the lower Laurentian spur. With such physical and soil formations adequate drainage is assured.

Forest Conservers of Snow

The highlands are treed. The forests shelter the snows week after week from the spring sun until such time as the run-off from the lower reaches has slackened, thus avoiding the danger of floods. Authorities agree that the disastrous floods in the Mississippi valley have been caused, in part, by deforestation of the tributary watersheds and the sudden release of water in the form of melted snow. This volume of water, freed as a destructive flood, should have been conserved with the natural storage facilities afforded by forests along the feeding highlands and have been distributed over the period of a month or more, and from three to five weeks later, and not concurrently with the spring freshet.

The thundering giant, Niagara draws his strength from the melted snows of the Great Lakes basin.

Ten inches of snow will yield an inch of water. The spring freshet and the June rise reach their heights too rapidly to be used to the fullest advantage for power purposes. The problem is to conserve and control the volume of water distributing it at need over the low-water periods of the summer. To this end storage basins are created by the erection of dams across rivers or the mouths of lakes where there is a natural reservoir. Although the idea primarily is to conserve the waters from the melted snows, yet any surplus rain-water is also impounded.

Taking the Ottawa river as an average as to altitude, forestation and precipitation, an idea may be obtained as to the importance of conserving the melted snow for power purposes when we consider the maximum and minimum discharge without and with artificial storage facilities. In 1909 and 1910 at Ottawa the discharge was 168,300 cubic feet a second during the June rise and 6,900 cubic feet per second at lowest summer ebb. With storage basins the minimum discharge has been increased to 20,780 cubic feet per second. The ordinary minimum discharge controls, in most plants, the amount of power utilizable throughout the year.

Snow is Potential Power

The above figures are significant and the lesson contained therein more so. We must follow Nature's conserver, the forest, and provide artificial storage, as well as assisting the natural conserver by reafforestation and the prevention of deforestation. The forests conserve the snow in that form but the storage basins regulate the flow of the rivers with their augmentation of melted snow. It must be remembered that unless in periods of unusual precipitation as, for instance, the June rains of this year, the rainfall does little more than neutralize evaporation.

Monuments to the theory of conservation of melted snows are the Lake Timiskaming reservoir with a capacity of 40,000,000,000 cubic feet and the Quinze Lake reservoir with a capacity of 44,000,000,000 cubic feet, both operated by the Federal Government and the Gouin reservoir, operated by the Quebec Streams Commission, with a capacity of 160,000,000,000 cubic feet.

Snow and Lumbering Industry

With 1,227,000 square miles or one-third of Canada covered by forests estimated to contain 482,075,000,000 feet of lumber and 1,279,705,000 cords of pulpwood and other primary forest products, the advantages of snow for logging operations, outside of the benefit to water power, is a question of national interest.

Canada is getting from trees a per capita revenue of about $75 a year. She is the third largest producer of pulp and paper in the world. The first stage in the operations is in the woods. The problem of logging is the problem of cheap transportation of the logs to the mill and requires, in almost all parts of the Dominion, an early, cold and prolonged winter, followed by a summer season of high water, both conditions dependent on the snowfall. In the early days of lumbering when there were a great many small mills with little capital behind them a couple of mild winters spelt financial ruin.

Road-Builder and Labor-Saver

Snow, with its complement, ice, is the universal leveller, provided a highway over rocks, rivers and lakes, and a good roadbed through the forest lanes. On the average, logs are hauled eight to fifteen miles from where they are cut. Until the rivers are icebound the logs must be piled on skidways along the banks to be rolled on the ice later. If, and when, the river is frozen over, the logs are dumped over the bank and, with practically no further labor, transport themselves down with the ice in the spring, the work of the river-drivers being merely incidental in the "moving accidents of flood and field." In the absence of logging railways the operation of loading logs on sleighs is infinitely easier than that of logging on wagons. The snow provides a smooth surface which may be made still smoother by sprinkling, enabling a team to accomplish the work of a dozen horses on a dirt road or, if tractors are used, the saving is in gasoline.

Re-afforestation to Retain Snow

The fact is that there are regions of the world, and even of Canada, where logging is carried on without snow. Said the head of one of the largest pulp mills in the Dominion, "Lumbering cannot be carried on without snow!" It can, but the cost is greater. Incidentally, too, snow is the preserver of timber while rain helps to rot it.

Snow and Agriculture

Snow is produced in great quantities in all latitudes but rarely reaches the earth in the tropics. Apparently the lack of snow in a northern latitude is calamitous. Witness the virtually arid regions of Central Asia where there is extreme cold and a light snowfall, and compare them with the central regions of Canada where, with an extreme cold but a fairly heavy snowfall, the desert has been made to bloom like the rose. One sees the prairie farmer baring his head to the unusual spectacle of a snowstorm in June when his wheat is four inches high and exclaiming, "This snow is worth millions of dollars to the country."

The snowless areas in northern latitudes are usually barren of vegetation for lack of the protecting snow-blanket. For snow in its relation to plant life is primarily a blanket, many blankets, the snow increasing month by month, adding blanket after blanket, until the coldest month, with finally the colossal eiderdown of March. Winds distribute the snows unequally, thus producing important local differences in the water content of the soil, and hence in the type of vegetation and yield of cultivated crops. Where winds dry the moisture from the ground in summer they do not melt the snows of winter except in rare cases such as the chinook. Rather they pack it, perfecting it as a non-conductor.

The importance of snow as a covering cannot be exaggerated. The success which attends the culture of red clover in Northern Ontario is due to an early and continuous blanket of snow. Even in the comparatively severe climate of Manitoba winter wheat and red clover succeed where there is sufficient snow-cover to protect them. Indeed in Canada where we have no amelioration of the temperature from the Gulf Stream, but rather an accentuation from the Arctic Current, and frost is early and inevitable, the delay of the first fall snow is serious.

Not only is the wind a packer of the snow, but the snow is a packer of the soil where fields are ready in the fall for the sowing. Soil-packing lessens the airspace and aids in bringing up the moisture. It is particularly important in the dry-farming areas. Against this must be put the fact that on lands which have not been fall-plowed the stubble acts as a conserver, the snow is slower in melting and therefore more of it soaks into the ground.

Fortunate Accident of Climate

In China the heavy rains of summer are followed by a dry winter and it is one of the greatest growing countries in the world. Canada, with infinitely less rain in summer and also a comparatively dry winter, has the advantage of a snowfall that is a reservoir of moisture ready to be released in the spring at the germination period. Snow is important to agriculture in the eastern portion of Canada, but it is infinitely more so in the prairie regions. Where the trees of the forested areas act as conservers the "prairie wool" acts in the same capacity in possibly as great a degree having the advantage of a dryer, rarer atmosphere.

With Canada's snow must be associated her frost, and it would seem that "the fortunate accident of climate" will eventually discover the possibilities of the north to Canadians. In the McKenzie river basin whose border is the Polar sea one never sees burnt vegetation, even though there may not have been rain the whole season. Geologists account for this by the fact that the frost is coming out of the ground all summer and hence there is a constant supply of moisture rising to the surface for the support of plant life. This also holds good in Alaska and the Yukon where there is a dry climate, but vegetation does not suffer. These are the areas where cabbages which take a great part of their food from the air, their supply of moisture from underneath assured, grow as large as small tubs, and other vegetables of the same habit to proportionate sizes.

Aid to Fertilization

Walk through field or forest after the snow has melted; the fallen leaves and other dead vegetable matter look as though a steam roller had passed over them. So it has, or its equivalent. Our national asset has pressed and packed them and kept them moist and warm, forming finally of them a manure with a high ammonia content.

Primarily the function of snow is to distribute moisture and its action otherwise is incidental. The Experimental Farm at Ottawa has ascertained by experiments extending over seventeen years that snow possesses a fertilizing value as a supplier of nitrogenous plant food. Nitrogen, so necessary to plant life, is washed down from the air by the snow and rain. Ottawa has an average snowfall, less than the Maritimes, but greater than the central regions. Over the seventeen year period from 1908 to 1924, there was an average of 95.77 inches of snow yielding 9.57 inches of moisture. This represented a yield of 1,174 pounds per acre of nitrogen in the form and proportion of .568 pounds of free ammonia; .194 pounds of albuminoid ammonia and .412 pounds of nitrates and nitrites, in all equal to an application of fertilizer in the form of commercial nitrate of soda to the amount of 8 pounds per acre per annum. Undoubtedly these figures strengthen the case for snow.

Glaciers

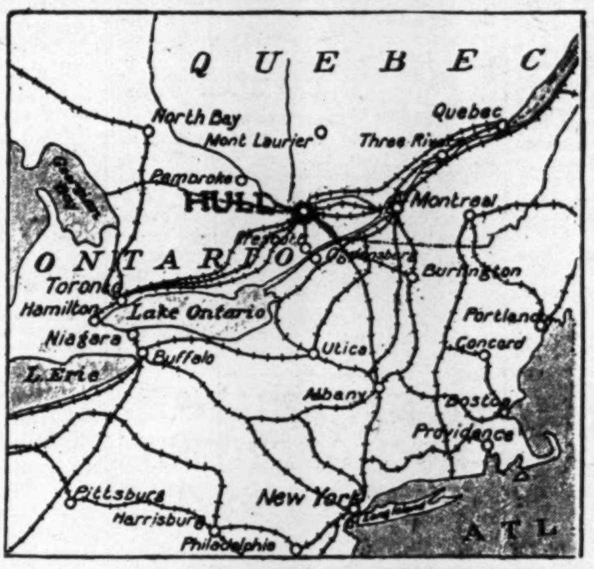
Consider the glacier. It is merely snow. Its main office is that of grinding and pulverizing the rocks that will form the agricultural lands of the future. It is Nature's Juggernaut, and no machine that man will ever invent can perform its work.

It would seem superflous to enumerate the advantages of snow in connection with the fur trade. It is, however, well to recollect that, since 1763, furs netted Canada many times the value of all her minerals, including gold.

It is the snow and severe weather that makes Canadian furs longer, thicker and glossier than the furs of milder countries. All northern commerce is carried on on snow with reindeers, dogs, snow-

(Continued on page 9)

No. 2 of a Series of Advertisements featuring your industrial opportunity in Hull, P.Q.



HULL'S LOCATION
Adds to Your Industrial Opportunity

Reaching Markets by Motor Truck

Hull has first-class roads being the terminus of the new Hull-Montreal highway and the starting point of the Gouin Highway, both Quebec Government roads. Hull is directly connected with the Ontario Government's big cement highway.

Manufacturers who have trucking to do need not be reminded of the marked importance of these highways as avenues of speedy distribution to profitable markets.

Manufacturers who seek distribution of their products in the concentrated markets of Central Canada will find Hull's location a great economic advantage.

Hull is perfectly situated to serve as manufacturing base, or distributing point for both Ontario and Quebec. Moreover, it is on the direct trans-Canada route of the Canadian Pacific Railway—a compelling asset when Eastern and Western Canadian markets are concerned. Nor should the adjacency of the vast eastern market of the United States be overlooked. Hull is also splendidly served by the Canadian National Railways.

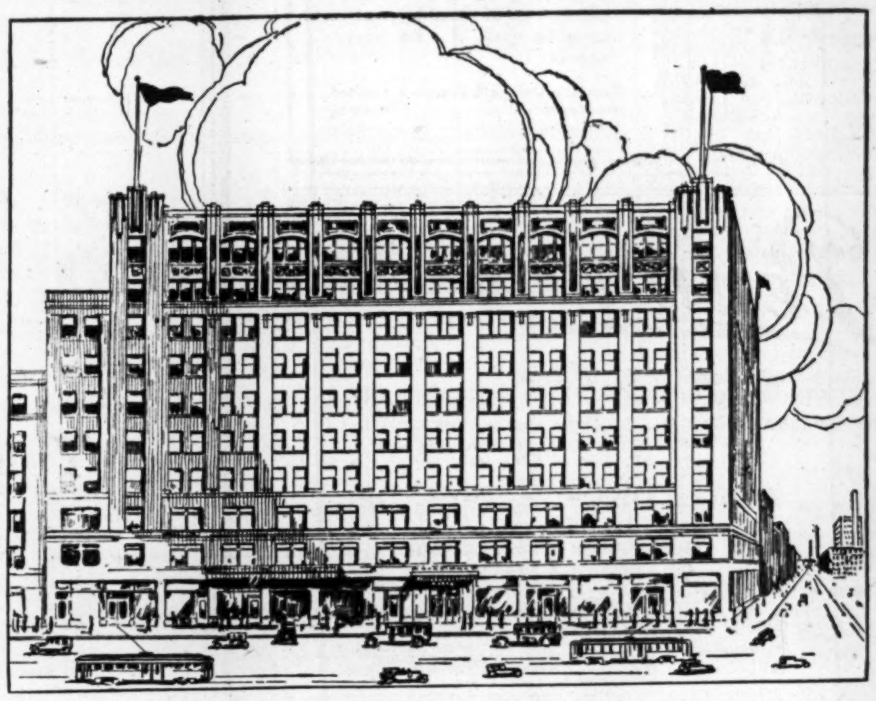
Again, shipments may be made direct to sea board either by rail or boat. And shipments to and from New York State also may go direct by water.

Concerning raw materials, Hull is in the heart of the best lumber district in the world. In the same district are produced cement, sand, asbestos, graphite, mica, iron and many of the needed metals.

For Information write H. Boulay, City Clerk, Hull, P.Q.
Bring Your Industry
to HULL Que.

Key City of a Great Hydro-Power and Industrial District

Commerce and Transportation Building



To be located on one of Toronto's most Valuable Business Real Estate Sites.

The Commerce and Transportation Building, Limited, has purchased the plot of land at the northeast corner of Bay and Front Streets, Toronto, Ontario, with 212 feet frontage on Bay Street by 156 feet frontage on Front Street, upon which to erect a modern fireproof ten-story office and store building of the most approved type of construction, with a rental area of approximately 105,252 sq. ft. As part of and attached to this building and occupying the interior of the lot there will be a six-story garage for the storage of 426 automobiles, containing an area of approximately 33,057 sq. feet of floor space. Situated in the transportation district of the city, within a short distance of the Canada Steamship Lines docks, diagonally across the street from the New Union Station, into which all the railway entering Toronto discharge passengers, and immediately across the street from the proposed new Canadian Customs House, within half a block from the proposed C.P.R. Hotel, containing over 1,000 rooms, this building will constitute one of the principal buildings in the City of Toronto. A portion of the new building will be occupied by Bowles Lunch, who have signed a thirty-year lease; a branch office of one of the largest Canadian banks, and terminal facilities and waiting-room for the principal bus lines entering Toronto. The international importance of the institutions located in and near the building, and the accessibility of this building to all sections of the city and suburbs, insure a steady and increasing demand for office space of the type which the new building will provide.

A RECORD IS BETTER THAN A PROMISE—
For 44 years every bond issue recommended and sold by G. A. Stimson & Co. Limited has paid interest, and Principal when due.

7%
Backed by Solid Safety
PLUS A Bonus of Common Stock

Security: A modern office building, located on one of Toronto's most valuale business sites, and which will be one of the most outstanding business corners in America.

Earnings: Leases now signed and under way assure the payment of above rate of interest and leave a splendid margin for the common stock.

Management: The men back of this enterprise are thoroughly experienced and capable.

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The Oldest
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300 BAY STREET TORONTO

G. A. Stimson & Co. Limited,
300 Bay Street, Toronto.

Without any obligation on my part, please send me full information in regard to Commerce and Transportation Building, Limited.

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Our system of offices in financial centres from St. John's, Nfld., to Victoria, B.C., as well as in New York, covers active markets for Canadian securities of all investment types.

Communicate with us when you wish to buy, sell, or obtain information on bonds or shares in which you have an interest.

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Toronto Halifax Saint John Quebec
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J-49

UNITED STATES PROSPERITY SLOWS DOWN, SAYS AYRES

Advance of Business Activity at Less Rapid Pace

In the opinion of Col. Leonard V. Ayres, vice-president of the Cleveland Trust Company, United States, prosperity seems to be getting tired. It is showing symptoms of fatigue. It may recover its earlier vigor later on, but just at present it is unmistakeably slowing down. The evidence of this is inherent in the existence of certain business conditions that normally appear in times of business recession, but are not present when commerce, and industry, and transportation are expanding their activities.

The most important of these is that there is now an excess of money seeking employment. At this time of the year interest rates normally stiffen in preparation for the seasonal quickening of business activity in the autumn. This year they have been working downward, and this has not been because of new gold imports, but rather because employment has declined a little, and commodity prices have fallen so that less money is required to transact the nation's business, and the amount of it in circulation has decreased.

Workmen Seeking Employment

Workers are seeking employment too; not so very many of them, but enough so that while the workman who has a job is likely to be able to hold it, the unfortunate one who is laid off is almost sure to have difficulty in finding a new place. The turnover of labor forces is now lower than it has been for a long time, showing that employed workers are holding on to their jobs with tenacity.

Merchants and manufacturers in almost all lines report that they have no trouble in securing goods, but that they are put to it to find purchasers. Building owners all over the country have excess space to let, and are seeking tenants, as is proved by the steadily declining cost of rents.

Some hundreds of corporations have now published their second quarter reports of earnings, and the figures show that with the exception of a few conspicuous leaders many of them are making profits that average a little lower than those earned in the same periods last year. It does not now seem probable that this situation will change much during the third and fourth quarters.

Did Industrials Rise Too High?

In the stock market security quotations advanced during July with a sustained vigor that carried the average prices up as they have seldom risen in the past. During the first part of the month most of the issues shared in the forward movement, but in the last week a majority of the stocks traded in showed declines, while the leaders continued to surge upward. There have been several such movements in the earlier phases of this bull market, and in each case the general advance in price levels was later on justified by increased industrial and utility earnings. At the present time the profits of many utilities are continuing to expand, but it is not so clear that the price advances of most of the industrials will prove this time to have been justified.

The most serious conditions in the agricultural outlook is that the July crop forecast is for the smallest harvest of corn since 1901. The forecast for tobacco and for fruits are also unfavorable, but the indicated yields of barley, hay, and wheat are very good. Corn is our most important agricultural product, and the value of the corn harvest constitutes in normal years about one-fifth of the total value of all farm crops. It is closely followed in importance by cotton which has suffered severely from the southern floods. In general the agricultural prospects are unusually spotty in different sections, and as a whole they are not very good. It is fairly sure that this year's crops will not be so large as they were last year, but neither will they be so poor as it seemed some months ago as though they might be.

Why Investment Yields Vary with Geography

Frequently investors are at a loss to understand why it is that there are differences in interest rates on investments of the same class between different sections of the country. It is quite generally known that higher interest rates are demanded and higher yields on safe investments are obtained in the West than in the East.

The explanation for these regional differences in interest rates lies partially with the varying conditions of supply and demand. In the East the accumulation of capital available for investment is large. In the less developed West exactly the opposite condition prevails.

The older communities have achieved great ability to produce new wealth. They have built a great part of their industries, their railroads, their utilities and highways and developed many of their natural resources. They stand, therefore, in less need of capital for the pioneering work of development. The less thickly-settled regions, on the other hand, have much of their development still before them. Consequently, their need for money to establish industry, to develop their natural resources, to build public improvements, and to provide for the demands of a growing population is very great, exceeding the sums which can be supplied locally. When financing is done, therefore, these districts are forced to pay a premium for capital, as compared with the rates charged in the older districts.

Moreover, when the local demand exceeds the supply, the actively developing community must go outside its own borders to centres of accumulation for necessary capital. And because money is a hesitant traveler, the borrower must coax it with a higher rate to lure it from its biding place. The farther it must travel from the financial centres, the more it demands in return. This fact explains why higher yields are usually to be obtained on foreign investments than on those at home.

Snow is National Asset to Canada

(Continued from page 8)

shoes or skiis. With a snow-crust hunters on snowshoes can overtake deer and other hoofed animals. The snowy landscape is a map on which is traced the movements of all the animals of the region for the trapper to read. The crop of fur is sure, it is not a gamble, and its harvesting is not expensive or difficult, but it requires snow, a long season of it. The whole economic life of the North, that country that promises to be Canada's Eldorado, is bound up with snow.

In the Yukon in summer His Majesty's mail conveyance must stick to roads or streams. In winter the gasolene snow-tractors save scores of miles of travel because the whole country is levelled of obstructions by the snow-blanket.

One of the difficulties of this region is also the shortage of water for placer mining. For this reason the miners welcome heavy snows which give them a flow in the spring which they would not have in such good measure otherwise.

The tourist brings money into the pockets of Canadians individually and collectively. Switzerland was pitifully poor until she utilized her climatic asset in the interests of winter sports, and Canadians are shrewd enough to add to their riches by advertising their winters. Every hamlet, village, town and city is booming its merits as a winter resort for skiing, snowshoeing, ice boating, tobogganing, skating, hockey playing or merely for wintering.

Undoubtedly, if snow were of no use in any other way its fascination for that victim of change, the tourist, would make it a great national resource.

The more we reflect upon the evidence for Our Lady and Her Snows, the stronger must be our conviction that, not only in itself is snow a great national asset, but on it, to a startling degree, depends the margin of profit that makes for prosperity in many of our leading industries. It is a natural resource renewed annually but, like all natural resources, it may be semi-depleted by waste through failure to retain or provide the means for conservation thereof.

There are wheels within the wheel, with the forest for the axle. Radiating from the axle are the dependent industrial spokes, water power, lumbering, agriculture, fur-trade, tourist trade and transportation, moving with the annual revolution of the snow-wheel.

The Accounting Department O.K's Long Distance

THE ideal transaction is one that can be cleaned up at once. Otherwise, it has to go into the "Pending File"—and the time cost of following up such delayed orders frequently robs them of the legitimate profit they should pay.

This difference in the time cost of handling orders sold by Long Distance is one of the reasons why the use of Long Distance is increasing so rapidly. Orders solicited by Long Distance come through "clean," because all the details can be settled with the customer before you hang up the receiver! There are no expensive delays.

THE BELL TELEPHONE CO.
OF CANADA

New Issue

$250,000

CONDUITS COMPANY LIMITED
(ONTARIO CHARTER)

7% Sinking Fund Cumulative Preference Stock
(Par Value, $100 Per Share)

Transfer Agent: National Trust Company, Limited. Registrar: Chartered Trust and Executor Company.

The 7% Sinking Fund Cumulative Preference Stock is fully paid and non-assessable; preferred as to dividends and assets; entitled to cumulative preferential cash dividends at the rate of 7% per annum payable 1st January, April, July and October by cheque at par at any branch in Canada (Yukon Territory excepted) of the Company's bankers (Bank of Nova Scotia). Callable in whole or in part at 110 and accrued dividends per share on 60 days' prior notice at the option of the Company, or the Company may purchase for redemption in the open market up to 110 and accrued dividend. Provision is made for an annual Sinking Fund of 10% of the net earnings available after making provision for preference stock dividends.

CAPITALIZATION

	Authorized	Outstanding
7% Sinking Fund Cumulative Preference Stock (this issue)	$250,000	$250,000
Common Shares without nominal or par value	12,000 shares	12,000 shares

Summary of information supplied by Mr. J. Herbert Hall, President—

BUSINESS—Conduits Company Limited is an old established Company, having its inception in 1900. The Company owns and operates a thoroughly modern plant, in Toronto, for the manufacture of rigid electrical conduits, elbows, couplings, etc., of various types, and also distributes other lines of wiring devices which are sold through the same outlets. The products of the Company are used in the wiring of practically all types of construction, such as industrial plants, offices, public buildings, railway cars and steamboats. A very large percentage of Canada's most important buildings are completely equipped with the Company's products.

ASSETS—(Exclusive of patents and goodwill)

Fixed Assets as appraised January 31, 1927, less depreciation since that date, are as follows:

Land, Buildings, Machinery and Equipment	$190,120.89
Net Current Assets after making provision for all Current Liabilities	190,998.71
Total Net Assets	$381,119.60

Which is equal to $152 for each share of Preference Stock.

EARNINGS—Based on Messrs. Clarkson, Gordon & Dilworth's certificate.
After providing for depreciation and Government taxes:

4-year average from October 1st, 1923 (2.41 times the preference dividend requirement)	$42,207.22
Year ending September 30th, 1926 **(2.90 times preference dividend requirement and at the rate of $2.78 per share on the Common Stock)**	**$50,870.09**
Eight and one-half months ending June 11th, 1927	**$39,759.68**

Since 1907, dividends actually disbursed by the Company, over this twenty-year period, have averaged more than one and one-third times the present annual Preference Stock Dividend.

MANAGEMENT—Mr. J. Herbert Hall and his associates, who have been responsible for the successful growth of the business since its inception in 1900, will continue to direct its operations.

We have purchased and offer the above shares, subject to the approval of all legal details by Messrs. Blake, Lash, Anglin & Cassels.

PRICE: $100 (par) per share, and accrued dividend, with a bonus of one-half share of no par value Common Stock.

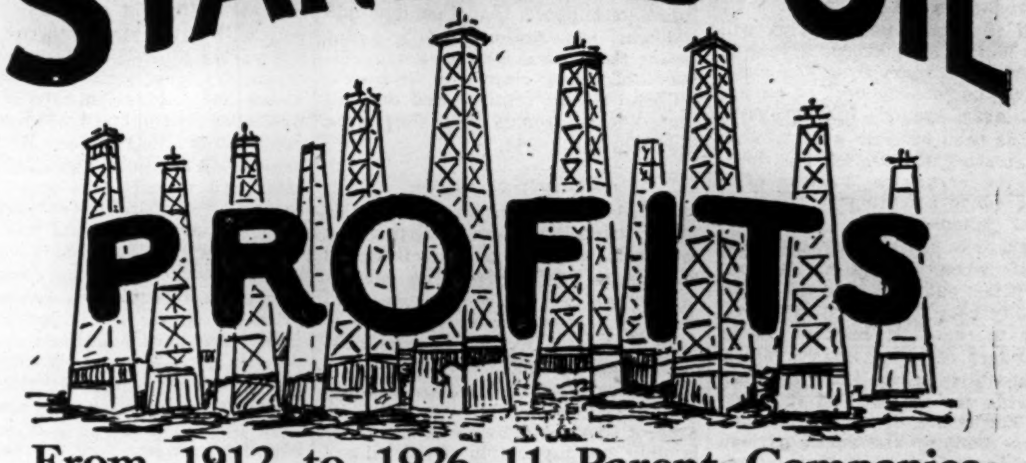
Dividends on the Preference Stock accrue from July 1, 1927.
Fractional shares of Common Stock will be adjusted at $20 a share.

The right is reserved to reject any or all applications, and also in any case to award a smaller amount than is applied for. Application will be made in due course to list both the Preference and Common Stocks on the Toronto Stock Exchange.

FRY, MILLS, SPENCE & CO.
DOMINION BANK BUILDING
TORONTO
ELGIN 1341

The statements in this advertisement are based upon information which we believe to be reliable, although we do not guarantee their accuracy.

"SHARE IN STANDARD OIL



From 1912 to 1926 11 Parent Companies Paid Out the Following:

Cash Dividends	$ 970,114,463.00
Stocks	1,716,338,145.00
Rights	17,500,000.00
Totalling	$2,163,952,608.00

At the end of 1926 the SURPLUS and UNDIVIDED PROFITS of these same companies were

$1,134,518,262.00

This vast sum HAS YET TO BE DIVIDED among the shareholders of these eleven different Standard Oil Companies

Diversified Standard Securities
Limited (AN INVESTMENT TRUST)

Owns outright stock in twenty-five Standard Oils, including the above eleven, out of which FIFTEEN have already declared EXTRAS in addition to their regular dividends—which certainly proves good judgment and

CAPABLE MANAGEMENT

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TORONTO, AUGUST 19, 1927

CANADA AND GOLD

CANADA must shortly step into the breach to save the world's gold supply from dwindling seriously. Fortunately, Canada is opening up new gold mines rapidly enough to insure that we can more than offset the decline in production of gold in South Africa.

South Africa expects its present gold production to be curtailed by one-half in fifteen years. This will mean a loss of $100,000,000 a year to South Africa. Apart from the social and economic consequences to an important area around Johannesburg, which has been built on gold mining, the interesting feature of this forecast is the assurance it gives of a shift of world attention to the gold fields of Canada.

Canada will not get any more for its gold when the South African mines peter out, for gold is not a commodity bought and sold in a competitive market. It happens to be the standard of all monetary values. But there is competition between gold fields for capital and it would not be surprising if the capitalists who have built up the South African gold fields were to shift their attention to Canada.

Canada's gold production has doubled in six years. It may well double again within the next six years and again in the six year period following that. This would bring us to an annual production of $150,000,000 of gold before 1940. Of course, this is speculation; but speculation founded upon an appreciation of our mining resources, our job is to have faith in our resources and ability to sell them to the world's capitalists.

The state of mind that induces many Canadians to view northern Ontario, northern Quebec and northern Manitoba as a barren waste, as the great physiographic dividing line between eastern and western Canada, and to view this area as a permanent bar to Canadian unity, is not the state of mind in which we can approach the problem of developing the mineral areas of Canada.

This "barren waste" is an asset of tremendous potential value. We can build wealth and prosperity on the rock of the Laurentian shield.

HOTHOUSING INDUSTRY

VICTORIA, in furtherance of a laudable ambition to develop as an industrial community, has guaranteed the bonds of two such divergent enterprises as a grain elevator and a motion picture studio.

Perhaps there is a real need for a grain elevator and a legitimate opportunity for a movie studio within the precincts of the capital of British Columbia. But there is a very real doubt in the minds of many disinterested persons as to the propriety and the wisdom of guaranteeing bonds as an encouragement to industry. The guaranteeing of the bonds makes the success of the enterprises no more certain than if the private backers of the projects were prepared to stand on their own feet.

In other words, an enterprise which has to be helped is likely to be non-economic in one particular or another. It is hoped—it can be reasonably predicted—that Victoria will enjoy an industrial expansion commensurate with the growth of the Pacific coast, and the quality of the local and general government. It is doubted if the hothouse method of creating industry will be satisfactory in the long run.

POWER COSTS RISE

TORONTO'S publicly-owned street railway system is maintaining its present rate schedules in the face of great difficulties. One of these difficulties is constant increase in the cost of power.

The Transportation Commission purchases all of its power from the public ownership plants. The power supply is reliable, but it is also expensive. In 1921, the first year of operation of the Transportation Commission, Toronto was buying its power at a wholesale rate of $18.54 per h.p. In 1926, the price paid was $26.05 per h.p.

In 1926 the cost of current to the Transportation Commission increased from $1,108,942 to $1,173,581. The number of passengers carried increased only from 180,800,000 to 183,500,000.

The conditions that face Toronto's public ownership street railway system face every industry in Ontario. Increasing power costs menace the province's industrial future. This is the "blessing" of the great provincial hydro system.

ORDINARY IMMORTALS

NICHOLAS MURRAY BUTLER is not the only man who thinks there are no great men in the world to-day.

We are hearing from a number of writers that Coolidge was a political accident. He became vice-president because the public gave him credit for something he did not do; and the hand of fate gave him a push into the presidential chair. The bright aura about him is not his own brilliance but the reflection of the sun of prosperity that has favored his times. So 'tis said.

Baldwin, too, we hear, is outside the pale of practical politics in the Old Country. He is merely a figurehead; a guileless, well-meaning, hard-working individual, whose power is nil. He does not know it but Chamberlain, Churchill and their gang are the real British government, we hear.

All of this may be true. But we can not forget that the nasal twang of Cal Coolidge's voice is usually keyed to the tuning fork of common sense. And Mr. Baldwin is nobody's fool, as anyone of moderate discernment can have judged, even on the short opportunity Canada has had of seeing and hearing him in action.

Let us suppose that Coolidge and Baldwin are ordinary folk. But among the persons who were not ordinary folk were Napoleon, Bismarck, Wilhelm II and Trotsky, and they all caused more trouble than they were worth to the world.

TAX BOUNDARIES

THE boundaries between the fields of federal and provincial taxation are much too hazy and indefinite, in the opinion of the provincial governments, which will send representatives to the inter-provincial conference in Ottawa this fall to urge a recasting of the whole situation.

Practically all of the provinces are dissatisfied with the confusion at present inevitable, owing to the overlapping and duplication of federal and provincial taxation fields.

It is the general belief of members of the provincial governments that the old formula set out by the British North America Act, allowing the federal authorities indirect taxation and the provincial government direct taxation, has broken down under the complicated taxation systems of modern times. Something more definite is required, and this view will be pressed at the conference.

There is no doubt that the federal government will be asked at this conference to relinquish some of the taxes which it claims as exclusively its own at present. The federal income levy will be the chief point of attack, as British Columbia's provincial experts in particular contend that this impost is entirely direct in its application to private individuals, and, hence, legally outside the federal field.

A re-arrangement of the income revenue of the country will be one of the many points discussed.

It is not expected that the gasoline tax will be attacked, as no organization or private interest appears to be opposed to the principle that the users of the roads should contribute to their maintenance.

Several times the provinces have been put to heavy expense in fighting litigation over their taxation rights, and a way will be sought to avoid future recourse to law through the agreement upon a permanent definition of the two fields of taxation.

The problem is one of the most serious at present tending towards discord between the Federal and provincial governments and the conference this autumn should not break up without taking forward steps to bringing harmony of viewpoint to prevail.

The Dominion is not likely to surrender any of its rights without a contest. Nor would the country benefit if it did play the role of benefactor, without due cause, for the tendency to increasing provincial and local expenditures in the face of declining federal expenditures has been marked in Canada, just as it has been in the United States.

BASIS OF PROSPERITY

CAN business lift itself by its own boot straps? There is some evidence that American business has been doing that.

Most English observers, who have come across the water to find out the why of United States prosperity, have traced the continued and rapid rise of production and wealth to high wages. High wages have served to stimulate a large individual output per man and thus to reduce costs. They have also served to create an enormous purchasing power in the country, which has made the absorption of the increase output possible. It sounds very much like a circle; whether salutary or vicious, time alone will tell.

High wages as the secret of prosperity, is now being taught as a doctrine by some business leaders across the line. Their viewpoint has been expressed by a United States government official, R. M. Hudson, chief of the division of simplified practice of the Department of Commerce, Washington. He says: "Companies endeavoring to stabilize employment in their plants, to provide steady jobs at good wages for their workers, are reinforcing the buying power of their own employees as part of the great consuming public."

High wages give the greatest stimulus to business when they eliminate waste. High wages, without the concomitant greater efficiency of workers are waste. High wages that increase production and make for effective production help to eliminate waste. Standardization, simplification, research, machinery, and modern accounting are other factors tending to eliminate waste and that, therefore, aid in the increasing development of the seeming paradox of rising wages and lowering costs.

But business, in both the United States and Canada, is in danger of losing much of the benefits of increased buying power and lower production costs, through waste and distribution.

In his new book, "Competition That Raises Prices," Fayette R. Plumb says that "business is trying so hard to get business that it is saddling itself with all sorts of expenses in trying to make people buy more goods, with the result that gross business is increased, but net profit decreased. There are several main reasons for the increased cost of distribution. These are hand-to-mouth buying, excessive competition, extra service, such as rush delivery, fancy packaging, etc., effort of merchant to compete with chain stores, the change in the worker himself in the direction of desire for less work and more pay, rising local taxation, and business waste as exemplified by the undiscriminating distribution of 'dealer-helps.' What the retailer, wholesaler and manufacture should do is to serve the largest proportion of their customers best, and let the rest slide. Too many merchants are trying to give their customers more than they can afford to give, either in low prices or in too costly services."

We are hardly inclined to think that Mr. Plumb is entirely correct, but several of his points are thoroughly sound. The important feature of his book is that it shows how seriously business men are tackling the problems of waste in distribution. Merchandising to-day is in the crucible.

BALANCE OF MIGRATION

EMIGRATION of Canadians to the United States has fallen off recently. Yet, the decline has not been as great as many have imagined.

For the year to June 30, 81,506 immigrants entered the United States from Canada. This was 9,513 less than in the previous year.

During the past year we have definitely gained in population. Our balance of trade in immigration has been on the right side of the ledger, although for several years there were deficits; more people leaving the country than were coming in. Canada gained around 100,000 people in the twelve months to June 30 by migration; in addition to the natural increase in population.

It has been hard work wiping out our immigration red ink figures. Now we have done so, and the improvement will be cumulative just as the improvement in the earnings in the Canadian National Railways has been cumulative; and the reductions in our national debt have been cumulative.

Getting turned around and going in the right direction was a real task.

EDITORIAL NOTES

CRACK regiments never do.

• • •

IN BUSINESS, big guns are not big guns when they're fired.

• • •

MELONS have appeared on the Hamilton market, but they have been appearing regularly for many months on the stock market.

• • •

WHEN STOCKS go up, writers of market letters are optimistic. When they go down, they are likely to say, "The shake-up was needed; stocks are now in a position for a rise."

• • •

THE PHONOGRAPH is 50 years old. And Edison is still inventing things. He is the greatest of the world's practical scientists. He is one of the great men of all time.

• • •

THE FEDERATION of British Industries is again being represented at the Canadian National Exhibition, which should be sufficient proof of the value of the "Ex" to British manufacturers.

• • •

MORE PEOPLE are killed by automobiles in Canada than by railroad trains. In 1926 there were 606 deaths by automobiles and 434 on railroads. There were 56 killed in street car accidents. Careless pedestrians and careless parents probably caused more automobile deaths than careless drivers.

• • •

THE MONTREAL Gazette, over 350 miles from Oshawa, showed itself more of a newspaper than a Conservative organ when it ran a verbatim report of Hon. James Malcolm's address at the General Motors picnic while the Toronto Mail and Empire, 30 miles from the scene of the picnic, contented itself with a three or four paragraph summary.

What Diversifying Means to the Average Investor

Character and Degree of Diversification Depends Upon Circumstances of Each Investor

By J. G. WEIR,
Of McLeod, Young, Weir and Company.

Diversification, as applied to investments, refers to the proportion of the various classes of securities held. Everyone knows, of course, that there are certain limitations imposed by law in regard to the securities in which estates, trust companies and insurance companies can invest their funds, but our purpose is to deal here only with the private investor.

The character and degree of diversification are largely a matter of opinion and depend also upon the circumstances of the investor. As a rough guide the following proportions may be followed:

	Bonds	Preferred Stocks	Common Stocks
Plan I	—50%	25%	25%
Plan II.	—40%	30%	30%
Plan III.	—56%	33%	11%

Adopting Different Plans

Anyone of these plans may be selected according to the temperament, occupation, age, number of dependents, financial or other circumstances of the individual investor. The more conservative investors and those inclined to worry should probably follow Plan III, in preference to Plan II. The latter has the largest percentage of common stocks and these are generally more speculative than well selected bonds or preferred stocks.

This principle should be further followed out by diversification in each of the main classes: bonds, preferred stocks and common stocks. That is to say, it would hardly be wise to select all bonds from one industry, such as the packing industry, or the milling industry, or the pulp and paper industry, or the agricultural implement industry. Similarly, all your preferred or common stocks should not be selected from any one of those industries. The reason is obvious. If that one particular industry were affected by a depression peculiar only to that industry, all your investments would probably depreciate; whereas, if your investments were diversified, one security might show some depreciation and the others would be unaffected. It is very rare that there is a general depression in all industries at one time. Even a war helps industries, more particularly the nickel, steel and food industries.

Limit For Each Security

Investments should be further diversified by confining the sum placed in each security, to a limited amount. This amount will depend entirely upon the circumstances of the individual. For one man, the limit should be a thousand dollars in each security, whereas, another man might invest as high as twenty-five thousand or fifty thousand dollars in each security.

In the matter of selection of the correct proportion of investments for clients, your investment banker is in much the same position as are other specialists, such as, for example, your doctor. The investment banker cannot diagnose your case, as it were, without first knowing your symptoms, or, in other words, your financial circumstances, your business, your present investments, and various other particulars of a more or less intimate character. For this reason his salesmen try to get the following information concerning each client:

Age, married or single, number of dependents, occupation, disposition or temperament, hobbies, approximate wealth and income, insurance carried and list of holdings.

Choosing Your Banker

The soundness and past record of the investment banking house, sponsoring the issue is an extremely important point to the average investor who has neither the facilities nor the time thoroughly to investigate the many securities which appear upon the market. However, it is a comparatively simple matter to check the history of the offerings with which each house has been associated, and, if its record is favorable, you can be reasonably sure that you are safe in following its advice.

The investment banking house of good standing is fully conscious of the position of trust which it occupies in relation to investors who accept its recommendations. Its past record will stamp it as sound and conservative, or otherwise, and will show whether it has sufficient experience to be capable of analyzing securities with thoroughness.

Must Depend on House

There have been relatively few casualties among industrial issues sponsored by reliable investment bankers. This is particularly true of first mortgage bond issues. However, no one is infallible, and occasionally something unforeseen has happened which makes it necessary to defer payment of preferred dividends for a time; but, provided that the business is a basic industry and was soundly financed at the time the issue was put out, temporary default has almost invariably been made good.

It is extremely unlikely that you will have the opportunity of purchasing a security which complies with all the requirements described in this series of articles. The investor must depend on the house sponsoring an issue, to make sure that safeguards are afforded. It is the investment banker who must make sure that deficiencies are provided against by insurance, the provision of heavy reserves and sinking funds, and by other means.

Periodical Review Necessary

Once you have made your investments, what are you going to do with them? Are you going to put them in your safety box and forget all about them, becoming what is called "a sleeping investor," or are you going to keep your list up to date by having a periodical review of them made by some authority other than yourself? An investment may have been perfectly good when you selected it, but some unforseen conditions may have arisen, two or three years hence, which, particularly in the case of common stocks, may have altered things to such an extent that it may no longer be desirable.

If you are a fruit farmer, you prune your trees periodically in order to get the best results; you consult your doctor from time to time when you think things are not just right with your health; you have your motor car overhauled periodically to keep it in proper running order. You will find it just as important to have your investment list examined from time to time in order that you may get the maximum return with safety.

Valuable Service in Analysis

A number of investment banking houses have special departments generally known as analytical service departments, which are in charge of experts who devote their time to sending out analytical reports to those clients who ask for them. It is a very comforting feeling to know that, in addition to your own watchful care, you will receive regularly a periodical report upon the securities you hold, calling your attention to any charges which might seriously affect your investments.

At first, you will probably have a certain amount of diffidence about discussing your financial affairs with others, but you must realize that confidence between the investment banker and the client is absolutely essential in order that the best service may be rendered. A responsible investment banker (and his salesmen) should make you feel, not only that he has your interest at heart, but that he will act only in your best interest in order to build up a great business. If you do not feel that your best interests are being served, then there is something wrong in the relationship between you and your investment banker.

This analytical service is strictly confidential and you need have no hesitation in taking advantage of it. It is a service which has proved of inestimable value to many investors.

POST-Scripts

THERE are a pessimist and an optimist on the board of investment and strategy of the Alley Investment Syndicate, some details of which recently were published in The Financial Post.

Pessimist: "Did you see where our Hollinger slipped to yesterday?"

Optimist: "Yes, I did, but did you observe the rise in the value of our Page-Hersey common, and on Brazilian Traction preferred?"

Both optimists and pessimists, it will be observed, can be happy, along with ordinary investors, in diversification, wherein losses in one stock are offset and often more than offset by gains in another.

THINGS are not always what they seem.

After gazing for some time at the array of morning coats and silk hats at the opening of the Peace Bridge between Buffalo and Fort Erie, a small child said to her father:

"Is somebody dead?"

"Hush" said father, though the editorial luminary of the now prepollent and scandent Fort Erie Times remarks that he would have been inclined to tell the youngster that the gentlemen had just completed the funeral orations over the corpse of Mars.

Another evidence that things are not always what they seem.

Also in morning coats and silk hats, the Canadian minister to the United States and the American minister, together left the speakers' stand. Sartorially, both Mr. Massey and Mr. Phillips were perfect.

"Huh," said the lady behind the Fort Erie Times copy-chaser, "it takes these Englishmen to doll up."

TRAYMORE, LIMITED, which owns six cafeterias in Toronto and Montreal is using its contacts with its customers in an attempt to sell shares in the enterprise. At the door of the Toronto restaurant is a table with advertising literature. One piece reads:

To Our Patrons:

Traymore Limited own and operate this restaurant along with five others. This chain of restaurants has been built up over a period of fifteen years of successful operation. We are now planning further expansion in Montreal, Toronto and other large cities in Canada and have authorized and are selling an issue of 7 per cent. Sinking Fund Cumulative Preference Stock with generous conversion privileges having a par value of $20 per share and carrying a bonus of one share of no par value common stock with every $100 par value of preferred stock purchased. Price par and accrued dividend.

Earnings for the 12 months ending January 31st, 1927, before depreciation and federal taxes were $162,675. Estimated earnings on the same basis after completion of the expansion provided for in this financing are $320,000. (Over five times dividend requirements.) Earnings for the past five months are 25 per cent. in excess of earnings for the corresponding period in the preceding year.

This issue has been underwritten by Gairdner & Company, Investment Bankers and their associates but we have arranged with them to hold a block of stock for sale to our patrons whom we would like to have financially interested with us so as to participate in the earnings of our company.

Complete prospectus may be secured from the cashier of this restaurant and applications may be placed through the manager.

We recommend this investment for your consideration.

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WILL the fate of Muscle Shoals be decided by an editorial in The Financial Post? Considering the fact that The Post never attempts to poke its nose into the domestic affairs of the American people this seems to be a remote possibility But it is not so remote.

Muscle Shoals, as most people know, is a large power development owned by the United States government and constructed during and after the war for emergency purposes. Ever since, the politicans and the private power interests have been fighting out whether they should operate Muscle Shoals as a publicly owned institution or put it, in some way, under private ownership.

The public ownership politicans had it their own way for a while, quoting the results of hydro operation in the public ownership belt of Canada in support of their arguments. But the private companies, fighting public ownership, also took Canada as their example. They quoted actual figures from Canadian authorities to show that public ownership power in Canada cost more than private ownership power. A few of their friends in Congress read an editorial on this subject that appeared in The Financial Post, March 11 last, into the record. The N. E. L. A. Journal, the Public Service Magazine and others quoted the editorial. It was reprinted by the companies and sent all over the United States. Hon. Charles A. Eaton, one of the leading spokesmen for private ownership, used it as the text for speeches at big gatherings.

This annoyed the public ownership gentlemen. They have been sending their representative to Canada to find a few loopholes in The Financial Post's figures. But they could not find any for the figures were taken directly from government reports. One of these propagandists was much irritated to learn this and he started to get quite ungentlemanly in the editorial sancta of The Post this week.

Muscle Shoals is Uncle San's business. We will only enter the controversy long enough to say that the way the politicans have handled it since the war ought to be a warning to the Americans.

The Nova Scotia apple crop this year will run to 1,250,000 barrels, according to W. H. Chasse of Wolfville, or a fifty per cent. increase over last year, while the crop of the Eastern States is reported only half that of last year.

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Wright Flexible Axle

I would appreciate your opinion of the Wright Flexible Axle Automobile shares as an investment; also any information you may possess regarding the possible value of the flexible axle invention.

I understand this is being sponsored by the International Association of Machinists.

We do not consider the Wright Flexible Axle Automobile Corporation as offering any attractive investment opportunities. The prospects for success are very small. The backing of certain labor unions is not a matter of any considerable importance. It may help the company to sell stock, but we feel that the labor unions have made a mistake in linking up with a very speculative industrial proposition such as this.

Power Corporation

Would you be good enough to advise the writer if you think Power Corporation common will appreciate in value this fall?

Also the same about Wright Hargreaves and Teck Hughes?

We have a good deal of faith in Wright Hargreaves and Teck Hughes, and we feel that both of these stocks will show substantial appreciation as the public gains knowledge of these prospects.

Power Corporation is building a good equity behind its shares and the earnings of the various subsidiary companies are showing a steady increase.

We cannot forecast what the stock is likely to do this fall, but over a term of months, there should be a gradual rise in its shares and the earning power of the different subsidiaries.

Twin City

Will you kindly let the writer know what you think of Twin City? I bought 50 shares at 78 last year, have always kept them and intend to buy 50 more at to-day's price to lower cost of the first 50.

Any information you may furnish the writer, at your convenience, will be greatly appreciated.

Earnings of Twin City have shown an improvement this year over last, and those in close touch with the company are rather hopeful that the directors will declare an extra 1% at the end of the year, bringing the dividend rate to the 5% paid a year ago. If this was done, the stock would probably show some improvement.

The chief difficulty at the moment seems to be that there are many disappointed holders of Twin City who were glad to sell out on any small rise in the stock. This is likely to make the return to former prices somewhat slow.

Under the circumstances it is practically impossible to forecast the future of this stock, but we are very hopeful.

$3,000 to Invest

We have available for further investment two or three thousand dollars and would appreciate any suggestions as to investing with safety and with the possibility of appreciation in value.

Also we would be glad to have your suggestions for investment up to $1,000 in mining stocks with the possibility of their increasing in value. Would you advise Noranda at present prices?

As your investment fund has not reached a very large sum, you probably do not want to speculate to any large degree.

We would suggest a selection of bonds giving you an average yield over six per cent. Issues of this class, which give an excellent yield and have good security, are:

Asbestos Corporation, general mortgage 6 per cent. bonds, due 1956, available to yield 6.65 per cent.

Canada Steamship Line, 6 per cent. first and general mortgage bonds, due 1941, available to yield 6.10 per cent.

Northwestern Utilities first mortgage 7 per cent. bonds, due 1938, available to yield 6.55 per cent.

St. Lawrence Paper Mills debentures due 1936, payingg 6½ per cent. and available at par to yield 6.50 per cent.

Mining stocks that have an excellent chance for appreciation in value are Hollinger, Teck Hughes, Lake Shore and McIntyre Porcupine.

Noranda apparently has an excellent future and is not over priced. However, when you buy Hollinger you are buying shares in a company that owns a large interest in Noranda and has other interests, as well.

Asbestos Common

Do you advise purchase of Asbestos common around 24?

The common shares of Asbestos Corporation have had a somewhat disappointing market action since listing, but this has probably been due to some lack of public understanding of the new position of the company.

The earnings of the company are understood to be very satisfactory this year and justify at this time, a higher price for the shares.

For a long hold, Asbestos Corporation common shares should be very profitable. Of course, they are speculative, but the present position is good.

Asbestos Preferred

We would be pleased to have your opinion on Asbestos Corporation pref,: as an investment.

Asbestos Corporation is improving its position this year, and there is every reason to believe that it is going to work out very successfully. Public interest in the security has not been aroused to any high degree, chiefly because the public has failed to appreciate the improved position of the company, and because there is some feeling that the company has not fully explained the extent of competition that it is meeting with any other countries and with other Canadian producers.

We consider the Asbestos Corporation a very excellent speculative investment with possibilities of appreciation in value.

National Radiator

I have been approached for investment in National Radiator Corporation, comprising plants in Johnstown, Pa.; New Castle, Pa.; Trenton, N. J.; Utica, Dunkirk, N. Y.; Chicago, Ill.

Before investing, and as a subscriber, would like to have your candid opinion on this issue (which is 6½% sinking fund gold debentures) as a business man's investment.

The new National Radiator Corporation debenture issue is an industrial bond of a type that has some speculative features to it. This is compensated for by the fact that the yield is rather high.

The corporation has been formed from a number of companies that have themselves been successful and there is no reason to believe that it will not continue to expand and give full protection to the bondholders.

But it is an industrial bond and the bond of a merger that has not yet proven itself and for that reason cannot be regarded as of the highest grade.

Stocks and Pensions

Will you please suggest a few stocks for me to buy? I hold:

$6,000 Victory bonds.
$4,000 C. P. R. bonds..
20 International Nickel.
10 Imperial Oil.
10 Hiram Walker.

Please give me your opinion of government old-age pensions. Which is the best plan for me to take up?

There are a number of good securities, which you could purchase at the present market, which would likely show you good returns in time. Among these we would suggest:

Page-Hersey Tubes, common stock;
Canada Bread Company, common stock;
Asbestos Corporation, preferred stock;
Goodyear Tire, common stock.

All of these are listed except the Goodyear Tire common, which is likely to be listed in the fall, but which can be purchased from unlisted security dealers.

It is difficult to make recommendations when one does not know exactly what degree of speculation you are really willing to attempt.

The securities mentioned above offer varying degrees of speculation and most of them have been chosen for the possibilities of profits they present, rather than for their absolute safety. However, they are all good securities and likely to prove satisfactory, so long as Canada maintains its present prosperity.

We feel that the Government Old Age Pension scheme is very attractive. The type of pension would depend entirely upon your circumstances and what you have in mind as the ultimate objective of this saving plan. We would suggest you discuss with the heads of the Department at Ottawa the best type of pension you should purchase.

We would not say that Duprat is dead. It has not been very active lately, but the company has been reorganized and a certain amount of new capital is available that should give it a new lease on life and some prospects of making good as a producing mine.

Northern Life

I am very anxious to know how the Northern Life Assurance Co. of Canada stands, and if this company is very strong.

I will greatly appreciate comments on this company.

Northern Life Insurance Company, of Toronto, is not one of the largest companies in the country, but it has over five million dollars of assets and over thirty million dollars of insurance.

The company has lately gained in strength and it has a substantial surplus to policyholders over and above the liabilities of shareholders.

It is under the supervision of the Dominion Department of Insurance, and we would consider it is fully responsible for any policies it issues.

Canada Steamships

I have 15 shares of Canada Steamships Co. common stock, ten shares having been bought at 52 and five shares at about 80, an investment of $920 in all. These I have been holding since this company stopped paying dividends.

Would you advise me to hold these or to sell at this late date and to buy some speculative stock with a view to getting back what I have lost What would you advise buying?

We see no reason why you should sell your Canada Steamship common stock at the present time. The company is in the midst of a program of rehabilitation of its entire enterprise. It has made excellent progress with this, and gradually its position is becoming consolidated, its finances are strengthening and its operations growing more profitable. As this occurs the stock is likely to show gradual advance and you can make a much better sale of your stock at some future date, in our opinion.

A Good List

I enclose a list of bonds and stocks on which I would like very much to receive a criticism from the standpoint of a business man's investment.

Bonds—		
Landed Banking & Loan	5½%	$ 3,200
St. Lawrence Paper	6	1,000
Canada Steamship Lines	6	1,000
Bell Telephone Co., 1957	5	1,000
Montreal Island Power	5½	1,000
Manitoba Power	5½	1,000
Southern Canada Power	5	1,000
St. John Drydock	5½	1,000
Hayes Wheel	6	1,000
Gatineau Power	5	1,000
Stocks—		
Bank of Commerce		5 shares
Power Corp. of Can.		10 shares
Mortgages—		
		$ 9,200
Life Insurance—		
Paid up		$23,000

If there are any of these bonds which you feel should be replaced by others, I would be very glad to have your suggestions.

Your list of securities is a very good one and we can suggest no case where a security ought to be sold.

The average yield could be brought up somewhat, if you desired to do so, but this would necessarily be at some sacrifice of absolute stability. We feel though, that future investments made by you might well be of higher yielding security since you have such a good reserve of gilt-edged stuff. This, of course, does not apply to all of your securities, but you have a high percentage of the very best.

You could purchase some of the better grade common stocks that offer possibilities of appreciation in value.

Munich Bonds

A client of ours has two certificates like the one enclosed, for 100,000 marks of, we presume, the City of Munich, Germany. Can you give us any idea of the value? We are of the opinion ourselves that it is worthless, but have no means of telling, so to satisfy our client we would ask you to kindly answer this.

The actual exchange procedure already agreed upon concerns only the German Government bonds and information pertaining to other German bonds is not yet available.

We are of the opinion that the bond referred to has no value. Even if they are exchanged or repurchased, the minimum required will most probably be much higher than the amount held by your client.

K.E.H.—Celanese

Re King Edward Hotel Debentures A. The above debentures are unconditionally guaranteed by the United Hotels Co. of America and I would be glad to have your opinion as to the value of the said guarantee—in other words, whether the assets behind the United Hotels Co. of America are such to insure payment of interest charges in the event of the hotel company having difficulty in meeting them.

Re Canadian Celanase Preferred. I would also be glad to have your opinion on the above stock and your opinion as to whether or not the dividends are assured and the probable time at which dividends will be commenced. Anyone buying at the present time would, I assume, of course be entitled to arrears in dividends from April 1, 1926.

The preferred stock of Canadian Celanese, is attractive in that it participates with the common to the extent of 10 per cent. of profits available after regular dividend has been paid. It has equal voting power with the common.

The company appears to have been adequately financed and it can be hoped that the preferred stock is a good investment. The company will begin next month to manufacture celanese yarn, a high grade artificial silk, made from a base of cotton linters. The process is beyond the experimental stage, fabrics of this character being manufactured in England and in the United States.

The debentures of the King Edward Hotel Company are a reasonably good investment. The assets of the United Hotels Co. of America are the earning power of the important hostelries operated by this company in a number of the large cities of the continent. It does not seem likely that the earnings of the company will be so far impaired that the guaranteed bonds and debentures will be threatened. The company has virtually no real estate assets, although the general investment shows an appreciable growth in the last several years.

Can. Department Stores

Kindly advise me as to whether the Montreal Debenture Corporation bonds are a safe investment; also the Canadian Department Stores.

I am a widow with a small family and small income.

The bonds of the Montreal Debenture Corporation are secured by mortgages and other securities and are reasonably safe. We do not consider, however, that they are a suitable investment for a widow with a small income. You would do better to invest in a much higher grade security. The yield might be slightly less, and the security would be better.

The first and refunding mortgage income bonds of Canadian Department Stores which are probably the issues to which you have reference, are hardly a suitable investment for a widow. They are somewhat speculative. The store merger is likely to work out well but this is not assured and if there should be any trouble the interest on these bonds, on some occasions, might be deferred. They have considerable attraction for the business man, but not for you.

Common Stocks

The following is a list of my investments:

$1,000	Montreal Tramways bonds.
1,000	Canada Steamships' bonds.
500	Canada Salt bonds.
500	U. S. A. of Brazil bonds.
1,000	International Paper Convertible bonds.
5	shares Southern Canada Power pref.
5	shares Jamaica Public Service pref.
5	shares Ottawa Power, 6½% pref.
5	Belgo Paper.
10	Winnipeg Electric Common.

I now feel that I would be justified in investing $1,000 in some common stocks that have appreciation possibilities. Your suggestions on a change in some of the above securities will be greatly appreciated.

You have an excellent list of investments and I see no reason to change them. You should not overlook the possibility of converting your International Paper bonds into common stock before the privilege expires. This is likely to prove a rather profitable transaction.

For your common stocks, we can recommend Page Hersey Tubes, Duluth Superior, Goodyear Tire, National Breweries, Winnipeg Electric, as likely to show appreciation in value. Asbestos Corporation is a more speculative form of stock, which is not now paying dividends.

International Paper

In your issue of July 22nd you state that attached to the International Paper debentures there are warrants which allow the purchase of two common shares at $40 per share. You do not say the amount of debenture.

In the 1927 Survey of Corporate Securities it states one share of common at $50 per share for each $1,000 debenture.

Please explain what appears to me a contradiction in relation to number of shares as well as difference in price.

When the International Paper Co. issued its 6% convertible debentures it provided that holders of the security would have the privilege of purchasing common stock when they made the conversion into preferred shares. This purchase was to be made on the basis of one share at $50 for each $1,000 of debentures held.

Quite recently, however, the company made an issue of common shares to its stock holders at $30 per share. In order to equalize the position of the common stock holders and the debenture holders, the rate to purchase common stock at $30 per share was extended also to the debenture holders, rights to become effective when the conversion was made.

This increased the amount of common stock which debenture holders could buy from one to two shares and averaged the price down to $40 per share.

When Women Invest

So-called Weaker Sex Becomes Strongly Entrenched in Ownership of Important North American Corporations

A Weekly Feature.

The growing interest of women in the stocks of corporations is conclusively demonstrated by a questionnaire recently returned to the Wall Street Journal by various corporations. This shows that, while the total number of shareholders has been increasing rapidly, the number of women shareholders has been growing more rapidly than the number of men shareholders. It is doubtless still true, however, that the aggregate of holdings by men is far in excess of the aggregate value of holdings of women. In other words, the woman invests in smaller amounts. As a rule, she has less to invest.

The Westinghouse Air Brake Co. reports 52 per cent. women stockholders and 41 per cent. men. United States Steel Corporation reports 37.42 per cent. women and 56.0 per cent. men. The Southern Pacific reports equal numbers of both sexes. Pennsylvania railroad reports 3 per cent. more women than men. A similar condition prevails in the Norfolk & Western railroad, but in National Biscuit the women exceed the men by 5 per cent. The same is true in General Electric and there are 15 per cent. more women than men shareholders in American Telephone & Telegraph.

In Canada, Too.

The market value of the securities held by women in these several companies totals nearly $2,000,000,000.

Exact figures are not available as to the proportion of women shareholders in Canadian companies. But it was pointed out in this column recently that the women shareholders in one of the leading banks number approximately half the total holders, including the holdings of companies, trustees, estates, etc. And it is well known that thousands of women own stock in Canadian Pacific, Bell Telephone and Consumers Gas. In the latter two companies, the women outnumber the men.

Even Buy Mining Stocks

It used to be said that the reason women became stock holders was that they acquired the property through inheritance and declined to sell for sentimental reasons. While this undoubtedly accounts for the presence of many women's names on shareholders' lists, especially in the older corporations, it is a fact that women more and more are getting into the habit of buying stocks. It probably would be found that thousands of women in Canada own mining stocks. They are not going to permit their husbands and brothers to have all the honor and profit in risking capital in the development of the great mineral resources of the Dominion.

At the same time, it should be pointed out that investment is more profitable than speculation, unless the speculator is both extraordinarily well informed and exceptionally lucky in his judgment. Few women are in position to get the best kind of information on speculation, while reasonably good investments with few exceptions are stocks about which there is the fullest information.

As Others See Us

Why is Canada Not Represented?

Calgary Herald.—The Empire Marketing Board is spending an appropriation of approximately $5,000,000 a year to promote the sale of Empire products in the Old Country. The Financial Post, of Toronto, wants to know if the Canadian government is co-operating with it in respect of Canadian products. It is inspired to ask this question by Canada's absence from the Advertising Exhibition at Olympia. The Marketing Board took 10,000 feet of space at this exhibition to have it used, free of cost, by the Empire units desiring to take advantage of this exceptional opportunity. Australia, New Zealand, South Africa, the Irish Free State, the African dependencies, all have displays of food products at this exhibition. Canada is not represented. The only cost to this country would have been for the assembling of the exhibits.

A situation such as this could not arise by chance. One should not say offhand that the government here has neglected this opening to bring Canadian foodstuffs to the attention of the British public. Usually there is a reasoned decision in a matter like this, whether a reason logically arrived at or the reverse. On the surface, it looks as though Ottawa—the department of trade and commerce especially—has missed a rare opportunity. But Hon. James Malcolm, minister of the department, has just returned from England, whither he went to foster Canadian trade with England. It would seem that he would be conversant with the facts in the case. The business men of Canada will be interested in hearing an explanation from the minister.

Other People's Views

Advertising of Liquors

Cochrane Northland Post.—True to form, the Toronto Globe lashes itself into fury when referring, almost daily, to the Mail and Empire's efforts towards the repeal of the unfair regulations against liquor advertising. How the Government Control can be weakened, as the Globe says, by advertising beer and liquors, we fail to comprehend. Some time ago, commenting editorially on "The Value of Advertising," it pointed out that advertising now is recognized not merely as a means of promoting business but more than that "it is a means of raising standards and removing abuses." "Consumer education," said the Globe, "is one of the great achievements of advertising. The producer must be more careful and more honest, for the consumer has learned to look for quality and fair prices."

Precisely: but why not apply these standards to the beverage business as well? Is it not better that the people become educated to drink only good stuff? And then where will the Globe draw the line of what is advertising and what is not?

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Through our fully equipped Correspondence Department, we conduct a National Mail Investment Service that grows steadily in usefulness and volume.

Seventeen years of Mail Investment Service enable us to ensure all enquirers the personal attention of a staff of qualified experts. Put your investment problems up to them,

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QUEBEC 80 St. Peter Street

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For Midsummer Investment

Our booklet, "Corporation Securities," is a convenient reference for those with funds available for investment now or who may expect funds in the near future. This booklet describes thirty-seven public utility and other Corporation securities, showing the capital structure, earnings, assets, etc., of the issuing companies.

Copy will be gladly mailed upon request.

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Consolidated Water Power and Paper Company

First Mortgage Gold Bonds, Series "A", 5½%, Due 1947

Principal and interest payable, at the option of the holder, in Canadian currency in Montreal or Toronto at the Bank of Nova Scotia, or in United States gold coin in New York or Chicago.

These are well secured bonds of a Company which has demonstrated its ability to operate successfully over a long period of years.

The Company is an old established one with an enviable record of earnings.

We recommend the bonds as a sound investment, selling at an attractive price.

A circular giving full particulars will be mailed upon request.

Price 97 and interest, to yield 5.75%

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Head Office—St. James and St. Peter Streets—Montreal
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204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC
245

Carry Tough Oakes Shaft Down as Stuart Proposed

Manager Alan Stuart's plan of deeper operations on Tough Oakes Burnside is to be carried out. It is understood that London has assured him that there will be ample funds available to test out his plan of sinking to 1,600 ft., and opening up the mine at that horizon.

Call Mathews Bonds

The first mortgage serial 6 per cent. bonds of the Mathews Steamship Co. have been called for payment on December 1st at 101½ and interest.

EXPERIENCED SALESMEN
Successful men who want to enter the investment field

This old-established investment house has openings in several of its territories for a few men with real sales ability who have received their training in other lines of business and now feel confident to enter the hard, but highly remunerative, profession of bond selling. The men selected will be given a short, intensive training in financial principles, and will be assisted by leads and general mail and advertising campaigns.
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A Man -Size Dollar

Our advice on investment matters will help you. Ask for our list of sound bonds.

A dollar that brings in from 5½ to 7% with safety to capital is a man-size dollar.

Invest your money in Government bonds, or in well-secured bonds of a country's basic industries and they will become man-size. These are safe investments, yielding a generous return.

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News of Investment Markets

WILL EXPERIMENT WITH LONDON'S SYNDICATE PLAN

New York Houses to Try Out New Underwriting

Canadian bond houses will watch with considerable interest a New York experiment with the London method of placing new bond issues. An offering will probably be made in New York this fall along these lines. London syndicates are closed up in 24 to 48 hours instead of being kept intact for two or three months or longer as in the United States.

Consideration of employing the British system is the aftermath of the market congestion which developed in New York early in June, the difficulties of syndicates in endeavoring to maintain the market quotations of their offerings at the issue price and the eventual acceptance of the ultimatum that distribution could only be achieved readily by winding up the syndicate and allowing the securities to find their own level.

Difference in Methods

There is a marked difference between British and American bond distributing methods. Canadian investment banking operations lean toward the American plan. A British investor, noting new offering, secures a prospectus, fills in the coupon attached, encloses a cheque for 30 per cent. of the par value of his subscription, delivers it to his bank which subscribes for the amounts asked for by its clients and which is allowed ¼ of 1 per cent. commission for the part it performs in the transaction. The offering syndicate closes its accounts promptly; if the issue is all sold profits are distributed; if not, the unsold portion is allotted pro rata to the participants who are at liberty to dispose of the bonds as they see fit. That is, there is a free market.

In the United States the banking syndicate may turn the issue over to a selling group at one point profit while the selling syndicate endeavors to place the bonds at a profit of 1½ to 2½ points. This spread depends on the nature of the issue and whether it is a foreign or domestic offering. On a recent foreign offering, dealers in the selling group received 2½ points and on a large domestic corporation offering 1½ points.

Wider Spread on Foreign Issues

A larger spread is allowed on foreign issues since the dealer and the investor in this country are not so well acquainted with foreign bonds. Considerable time and effort have to be employed in educating the bond buyer on foreign offerings whereas no such labor is involved in offerings in Great Britain. Thus, assuming the London market could absorb bonds by the tens of millions as in this market, London bankers with their lower expenses of placement and their prompt closing of accounts would be in a position to give New York bankers a run in competition for new foreign bonds.

Some banking houses feel that a change is coming over the American system, regardless of whether the London practice is adopted, which will cut down the allowance to dealers. A member of a large issuing house says:

"A profit of only one point to the banking syndicate which has performed all the expensive labor of investigating and negotiating, and which after the issue is distributed must maintain contact with the company and keep abreast of developments in its affairs is out of all proportion to 1½ or 2½ points to the dealers. I think the time may be coming when the small dealer will disappear in New York.

In time, I believe, the bond departments of the banks will largely take their places in receiving subscriptions from investors for new offerings, which applications they will file with the syndicate and receive a commission on the transaction. Some of the dealers may become associated with the banks or other houses or consolidate with other dealers to create firms able to do both an originating and distributing business. If this comes about we shall be in a position to do business on terms more in consonance with those of London banking houses."

Incidentally, Canadian banks do a considerable bond business, a practice challenged by the investment community generally.

Would Prevent Padding of Orders

With the London system followed, the padding of orders by small dealers would be prevented, for the obligation to deposit a cheque for portion of the offering he wishes to take would prevent his applying for more than he could handle. Under our system the dealer frequently subscribes for ten times what he can take care of, expecting to receive only one-tenth of that amount, but three months ago there were many instances where the dealer was shocked to be allotted the full total of his subscription.

A tryout of the London system will mark another milestone in the development of bond distribution. The quick dissolution of the syndicate, accompanied by a statement of the amount of bonds sold as is done in London, will be watched with great interest by the bond houses of Canada and the United States.

Less Grain Through Vancouver

Figures compiled by the Vancouver Merchants Exchange show that 34,972,718 bushels of wheat were exported through Vancouver in the 1926-27 grain season, which ended August 1st. This is a drop of 18,000,000 bushels, due mainly to Japan takings being 10,700,000 bushels less and Great Britain 7,500,000 less.

Proposed Private Power Plant for Vernon

From Our Own Correspondent.

VERNON, B. C.—North Okanagan cities are interested in the outcome of voting on Aug. 25 on a proposal to develop hydro-electric power at Shuswap Falls. The National Bond and Discount Corporation, of Portland, Ore., offers Vernon $108,000 for its present plant and transmission lines. In return it is to have an exclusive franchise 25 years. The proposed development is an initial unit of 2,000 h.p. to cost $500,000. The development is to be completed by October 1, 1928.

LEGARE COMPANY WILL OPEN STORES IN NEWER QUEBEC

(Continued from page 1)

closely has the company been tied up with the agricultural and community life of Quebec that about 90 per cent. of the farmers of the province are on its books either as cash or credit customers.

Present head of P. T Legaré Limited is J. H. Fortier, who became president about a year ago on the death of the founder and original president, P. T. Legaré. Mr. Fortier is one of the best known business men in Canada, director of a number of important corporations, newspaper owner, ex-president of the Canadian Manufacturers' Association, savior of La Banque Nationale, liaison officer between French and English viewpoint in Canada.

Big Business Built

Mr. Fortier went to the firm some thirty years ago as stenographer to Mr. Legaré. There were three office employees, Mr. Legaré, Mr. Fortier and the book keeper. The firm did a business of $25,000 a year. To-day the turnover of the business is about $4,000,000 a year, while the associated Legaré Automobile and Supply Company sells over $6,500,000 yearly. Most of the credit for the expansion of the business has been given to Mr. Fortier, who was general manager for a number of years before being elected president.

In the early days, one of the chief sources of sales and income was buggies and carriages. With the passing of the horse and the coming of the automobile this business died down. The Legaré organization was early in the automobile business seizing the new opportunity that had crowded out the old. The Legaré Automobile and Supply Company, which handles the bulk of the sales of Nash, Hudson and Essex cars in Quebec province was organized. It has about 42 affiliated outlets and a large part of its stock is held by the P. T. Legaré Company. The balance is held by officers, branch managers, employees, etc.

P. T. Legaré Company does some manufacturing. Mainly it has factories of its own, including the Percival Plow Company, of Merrickville, Ont., and the Dominion Woodworking Company at Victoriaville, P.Q., and it owns a one third interest in the Canada Carriage and Body Company, of Brantford. The latter company was formed by three carriage manufacturing plants to consolidate the available business in Canada when the carriage business dwindled greatly. In the main, though, Legaré's is a strictly retailing organization.

Total assets are said to exceed $4,000.000 of which properties are appraised at over $2,000,000. Most of the stores are leased, though a few are owned.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	96½	97½
Abitibi P. & P. 6s, 1940	104⅝	105¼
Algoma Steel 5s, 1962	27¼	28½
Alberta Pac. Grain 6s, 1946	98¼	97¼
Bell Telephone 5s, 1955	102	103
Belgo Can. Paper, 6s, 1943	101¼	102
Brandram-Henderson, 6s, 1936	96	98
B. C. Pulp & Paper 6s, 1950	87	91
Brompton P. & P. 6s, 1946	98¾	99¾
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	92½	94
Calgary Power 5s, 1940	92⅝	93⅝
Canada Biscuit, 6½s, 1946	102½	103¼
Canada Lt. & Pr. 5s, 1949	91¼	93¼
Can. Nor. Power, 6s, 1941	101	102
Can. Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98⅝	99⅜
Can. Steamships 6s, 1941	97⅝	98½
Can. Steel Foundries, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	93½	95
Dominion Iron 5s, 1939	34	37
Dominion Pr. and Tr. 5s, 1932	96¾	97¾
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price Pr. 6s, 1966	104⅜	105
East Kootenay Pr. 7s, 1942	103⅛	104½
Elec. Development 5s, 1933	100	100¾
Famous Players 6½s, 1943	98½	100
Fraser Co. 6s, 1950	98	98¾
Gatineau Power 5s, 1956	97	97½
Gatineau Power, 6s, 1941	100⅝	101¼
Howard Smith P. & P. 6s, 1941	103¼	104¼
International Paper 6s, 1941	101¾	103
King Edward Hotel 7s, 1944	92	95
Lake Superior P. & P. 6s, 1941	104⅝	105¾
Laurentian Pr. 6s, 1936	103½	105
Laurentide Pr. 5½s, 1946	100½	101½
Maritime Tel. & Tel. 6s, 1941	104½	105¾
Manitoba Pr. 5½s, 1951	99¼	99⅞
Mercury Mills 6½s, 1942	101¼	102½
Mont. L., H. & Pr. 5s, 1951	99⅝	100⅝
Mont. Pub. Service 5s, 1942	98⅞	99⅝
Nor. Ont. L. & P. 6s, 1946	101	102
Nor. West Utilities 7s, 1938	99	100
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	31	34
Nova Scotia Tram. 5s, 1946	91½	92½
Nova Scotia Tram. 7s, 1952	99	100½
Ont. Pulp & Paper 6s, 1931	108½	110
Ottawa Hull Pr. 6s, 1948	103	104½
Ottawa L., H. & Pr. 6s, 1953	103⅝	105
Ottawa Mont. Pr. 6½s, 1949	102⅝	103⅜
Ottawa Trac. 5½s, 1955	100⅝	101⅜
Ottawa River Pr. 6½s, 1953	101	102
Port Alfred P. & P. 6½s, 1943	100½	101½
Price Bros. 6s, 1943	102¾	103¾
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramway 5s, 1935	95¼	96
ao Paulo Tram. 5s, 1929	97⅞	98½
St. Lawrence Paper, 6s, 1946	96½	97¾
St. Maurice Valley 6s, 1945	98¾	100
St. Maurice Pr. 6½s, 1953	107	107¾
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	98⅜	99¼
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103	104½

Metropolitan Starts Insulin Controversy

The recent statement made by the Metropolitan Life Insurance Company, to the effect that the death rate from diabetes has increased rather than decreased, is declared by medical men to be somewhat misleading, in that it beclouds the real contribution made to medical science by the discovery of insulin. The use of insulin was never hailed as a cure for diabetes, but there seems adequate proof to support the fact that the treatment of insulin to diabetics, has resulted in lengthening the life of the patient.

The experience of Canadian insurance companies in this regard, has never been definitely tabulated, but it is the expressed opinion of Canadian insurance men, that the use of insulin has actually lengthened the life of diabetics, especially in the younger years. The fact that the statistics of the Metropolitan Co. show that deaths from diabetes have actually increased rather than decreased during the past two years, may perhaps be accounted for in several ways. One explanation given by a Canadian life insurance official, was that as diabetes was more prevalent among older people, it is to be expected that the death rate will increase, for the reason that the average length of life has been considerably increased and that therefore there are many more older people susceptible to the disease.

Another reason for statistics as published by the Metropolitan, is that since the discovery of insulin there has been a less rigid selection of risks by the companies on this type of applicant. Coupled with this latter reason is the fact that since the introduction of insulin, a great many more cases have been diagnosed than had previously been the case.

There is no doubt that the statistical bureau of the Metropolitan Life, is a very reliable source of information. When it says that deaths from diabetes have been increasing rather than decreasing there is no doubt that the information is correct. However, this situation may quite well go hand in hand with the use of insulin for a few years, and while the announcement of the bureau will serve to focus attention on the fact that insulin can never be considered as a cure it is not to be interpreted by other actuaries as proof that the use of insulin is proving disappointing to either the medical or the insurance profession.

LARGER INTEREST IN "BEER"

MONTREAL.—The shares of National Breweries over the past month or two have been attracting more and more public investment interest and as a consequence it is stated that the distribution of the shares has increased. Earnings this year to date show a satisfactory increase and it is thought that the company will show a good surplus after dividend payments at the end of the year.

Dividends Declared

	Rate	Date	Record
McColl Bros. com.	20c.	Sept. 1	Aug. 15
Do., pref.	1¾%	Sept. 1	Aug. 1
Bank of Toronto	3%	Sept. 1	Aug. 15
Royal Bank	3%	Sept. 1	July 30
Bank of Commerce	3%	Sept. 1	Aug. 16
McIntyre Mines	5%	Sept. 1	Aug. 1
Famous Payers, pfd.	$2	Sept. 1	July 30
Brazilian Tr., com.	1½%	Sept. 1	July 30
Belding, pref.	1¾%	Sept. 15	Aug. 31
Canada Bread com.	$3	Sept. 1	Aug. 15
Lake of Woods com.	3%	Sept. 1	Aug. 20
Do., pref.	1¾%	Sept. 1	Aug. 20
Bank of Montreal	3%	Sept. 1	July 31
Wayagamack	75c.	Sept. 1	Aug. 15
Page-Hersey, com.	75c.	Oct. 1	Sept. 20
Do., pref.	1¾%	Oct. 1	Sept. 20
Hiram Walkers	50c.	Dec. 15	Nov. 30
Canadian Oil pref.	2%	Oct. 1	Sept. 15
East Koot. pr. pfd.	1¾%	Sept. 15	Aug. 31
Can. Car pref.	1¾%	Oct. 10	Sept. 26
Bk. Can. Nationale	2½%	Sept. 1	Aug. 15
C. P. R. com.	2½%	Oct. 1	Sept. 1
Do., pref.	2%	Oct. 1	Sept. 1
Loblaw com.	25c.	Sept. 1	Aug. 18
Do., pref.	1¾%	Sept. 1	Aug. 18
Can. Fdrys pref.x	1½%	Sept. 1	Aug. 15
Ott. & Hull Pr. pref.	1¾%	Sept. 15	Aug. 31
Crows Nest Coal	1½%	Sept. 1	Aug. 10
Wright-Har.	5c.	Sept. 1	July 30
Imperial Oil	25c+12½c	Sept. 1	Aug. 15
Keeley Mines	8%	Sept. 15	Sept.1
International Milling	1¾%	Sept. 1	Aug. 20
Cosgrave Exp. Br.	1¼%	Sept. 15	Aug. 31

Stock Redemption

Dom. Rad. pfd. Sept. 1, 15,484 shs. at 101.75.
McColl Bros., conv., pref. Sept. 1, at 107.50.

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TWO PREFERREDS IN ARREARS ARE INVITING BUYERS

Some Points of Comparison in Canners and Fairbanks-Morse

Two preferred stocks of a semi-speculative type are Canadian Canners preferred and Canadian Fairbanks-Morse preferred. In many respects the two issues have similar attractions.

Canners preferred is selling slightly above 90 with dividends in arrears totaling 20¾ per cent., at the end of the last fiscal year. Fairbanks-Morse preferred is selling around 95, with dividends in arrears totaling 18 per cent. Canners is a 7 per cent. stock and 5 per cent. is being paid on it; Fairbanks-Morse is a 6 per cent. stock and the current dividend is being paid.

To Reward Patience

Ultimately, with the companies improving, something will be done with regard to the arrears of dividend. In the case of Fairbanks-Morse, it is feasible that the payments will be made in cash over a term of years, earnings now having reached normal. In the case of Canners, it is probable that ultimately there will be an issue of new common stock to preferred holders in lieu of dividends. This course is apparently expedient in the case of Canners because of the comparatively small amount of common stock outstanding, while in the case of Fairbanks-Morse, the number of shares of common outstanding already is comparatively large.

Common outstanding in Fairbanks-Morse, is 82,201 of no par value, compared with 15,000 shares of preferred of $100 par value.

This situation is virtually reversed in Canners, with 91,114 shares of preferred and only 22,824 shares of common ($100 par).

Both these stocks are attractive to investors who are willing to be patient during the process of probable continued improvement in the position of the companies. If the investor desires something which has the readier market, Canners preferred would be the better buy, as less than 200 shares of Fairbanks-Morse preferred have come on the market since the first of this year (the opening price being 80) while there are daily transactions in Canners preferred.

May Pay Cash

On the other hand, the fact that Fairbanks-Morse is paying the current dividend leads to the belief that it may be able to clear up arrears more rapidly than can be done with Canners, and it is possible that the arrears will be paid in cash rather than in stock on which dividends may be remote. There are no bonds ahead of Fairbanks-Morse preferred, there being merely an $185,000 mortgage on the Vancouver warehouse, while there are two issues of bonds ahead of Canners preferred. The Fairbanks-Morse cash position is somewhat better than Canners, but Canners evidently has a proportionately larger reserve for depreciation. Canners is engaged in an essential food business while Fairbanks-Morse is in the less essential business of manufacturing and marketing agricultural and industrial equipment (gas engines, valves, pumps, etc., etc.) Canners is in a seasonal business, while Fairbanks-Morse activity is more evenly spread throughout the year. In point of gross assets, Canners is approximately four times the size of Fairbanks-Morse.

The management of both companies is high grade.

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Offering of Common of Canada Packers is Not in Present Plans

(Continued from page 1)

a few of the products specifically will serve to emphasize their importance in the very life and activity of the country:

Fresh meats of all kinds, including beef, sheep, lambs, hogs, poultry, game;

Cured meats, including bacon, ham;

Eggs, butter, cheese, vegetable and animal oil, tallow and grease;

Canned goods, including vegetables, meats and poultry, fruits, pickles, soups;

Soap flakes, domestic shortening, meat extracts, sausage, lard, hides and skins, bones, gelatine and glue, sausage casings.

In its rapid development, the packing industry closely parallels the expansion in Canadian agriculture, the basic industry with which it has such a vital and intimate connection.

Growth is Rapid

In 1871 the capital invested in packing plants was less than half a million—by 1911 the capital invested had increased to more than $15,300,000; while the total for 1925, $54,000,000, represents an increase of more than 250 per cent. over 1911.

The annual value of the products of the industry shows a similar remarkable increase. In 1871 the total was $3,099,000—by 1911 it had risen to $48,527,000; and the 1925 figure—$163,816,000—shows the rapid expansion which had taken place.

To-day the industry numbers its employees in thousands, and sells its products not only in the domestic market but also in European and Asiatic countries. In the total annual value of its products, the industry, according to the latest comparative statistics available, ranks fourth among all Canadian industries. It is preceded only by pulp and paper manufacturing, flour milling, and lumbering. The accompanying chart shows in graphic manner the very large place the packing business occupies in Canadian industry.

Market in Great Britain

During the past fifteen years Canadian packing houses have had three important markets, namely, the domestic market and two export markets—Great Britain and the United States. Of the two export markets Great Britain is of much greater importance to the Canadian packer, and a short sketch of past experiences in that country is necessary to a proper understanding of the present situation there.

In Great Britain Canadian packing products find their best export market. In 1913, the Canadian packing industry had secured for itself in Britain a reputation for bacon of a high quality and was doing business in substantial volume. With the war an entirely new situation arose. Great Britain was unable to secure fats from pre-war sources. It was necessary that the country receive fat in some class of its food imports. "American bacon" had a high fat content, a fact which had placed the product in considerable disfavor before the war. However, the British Food Ministry, which by that time had come into existence, turned to American bacon to supply the deficiency of fat from other sources. From that time American bacon was mixed indiscriminately with Canadian bacon, with the result that the Canadian product lost its identity and the good reputation which had been secured for it over a period of years.

At the close of the war the Government went out of the food business, but the organization of the food ministry was retained in skeleton form. There then followed a series of remarkable happenings. Speculators shipped in from meat-exporting countries large quantities of pork to the European market where, from reports, it seemed evident that there was a great food shortage. These shipments were stored in large blocks in Great Britain. Prices had been pushed to such a high level in 1919 and 1920 that an agitation arose favoring a resumption of government operation in the meat business. This was acceded to and the stocks of the speculators were taken over at peak prices.

It was then found that the purchasing power of European countries was not enough to buy at the then current high level of prices, and these soon took a drastic slump. Large supplies of bacon, for which the British consumer had developed a hearty dislike during the war, were again rationed out to the consumer, much to his disgust. At the latter end of this period Denmark, which had disposed of all its low grade hogs in war time, entered the British market with a particularly fine bacon product which it sold marked as "Danish bacon" and in competition with the product from North America it secured a preferred place in the British market.

How did all this affect the Canadian trade in bacon? The Canadian product had, as it has been noted, lost its identity and most of its good name during the war when the British food ministry pooled all shipments from across the Atlantic and sold everything without distinction as bacon. Hence, the Canadian packer was forced to build anew the reputation for superior quality. To accomplish this, a new system of grading was instituted in Canada in 1921. Packers paid a premium for hogs which came up to a new standard known as the "Select bacon" type, which represented a quality superior to the former average hogs. This represented a considerable capital outlay by the Canadian packers to the end that they might strengthen the position of Canadian bacon in the British market. That they have succeeded in establishing Canadian bacon in that market as a product superior to that of the United States is evidenced by the following figures:

EXPORTS TO GREAT BRITAIN IN LBS.

		From Canada	From U. S.
Bacon	1923 —	93,400,000 lbs.	316,800,000 lbs.
	1924 —	133,400,000 "	205,300,000 "
	1925 —	141,800,000 "	166,900,000 "
	1926 —	96,700,000 "	133,100,000 "
Hams	1923 —	12,800,000 "	181,400,000 "
	1924 —	16,300,000 "	165,200,000 "
	1925 —	21,100,000 "	146,600,000 "
	1926 —	18,200,000 "	112,000,000 "

The decrease in 1926 was directly attributable to the abnormal conditions arising out of the prolonged coal strike and other abnormal causes in Great Britain and the United States.

The above figures indicate that there has been a drastic slump in American exports to Britain since 1923, while the Canadian figures show a marked improvement.

By the close of 1925 Canadian packers were in such a position that they might secure all the advantages of the place which they had made for themselves in the British trade. The year 1926, however, was abnormal, and in many ways conditions were unprecedented. The prolonged strike decreased the purchasing power of British consumers, and the fuel situation resulted in a distinct increase in the demand for cooked meats rather than bacon.

Other factors accentuated the slump in Canadian exports of bacon. The British government officials traced an outbreak of the foot-and-mouth disease in British herds to imports of fresh pork from Continental countries, the chief producer of which was Holland. Hence an embargo was placed upon such imports. At first it seemed that this should benefit the Canadian bacon trade. Such, however, was not the case. The continental countries turned from fresh pork to the bacon or cured meat trade. Last year, on account of the greatly reduced number of hogs raised in the United States, these European countries were able to buy feed in America at rates which were very reasonable. This feed could be shipped into Holland and other European countries, and used to produce hogs for sale in the form of bacon in the British market. At the same time, due to scarcity in the United States, Canadian hogs were being purchased at a high price by American packers.

This high price for hogs and pork products in the American market did not benefit the Canadian packer, for, while hogs entered the United States at a very low rate of duty, pork products paid a much higher duty. Thus the Canadian packer found the price of his raw materials bid up to a high level for use in a market in which he could not sell his finished product. In addition, he was forced to meet the sever competition of Continental shippers in the British market.

Story of Beef

The story of the Canadian beef trade in Britain is much shorter and simpler. About 1913 Canada was supplying the British market with a substantial quantity of finished cattle. The market in the United States until that time had not been a very considerable factor. However, when in 1913 the American tariff on cattle was removed a brisk trade developed in Canadian stockers and feeders. The Canadian farmer turned to the production of those latter types and the trade with Britain in finished cattle diminished considerably.

In 1920 and 1921, however, several unfavorable factors developed, among which was the Fordney tariff, which virtually shut Canadian cattle out of the United States. The Canadian farmer was forced to turn again to the production of finished cattle for the British market. This difficult and somewhat prolonged adjustment was made during a period of five years, in which the price was constantly slipping downward. Such conditions made matters difficult for both farmers and packers.

Improvements Summarized

The foregoing brief review of recent conditions affecting the Canadian packing companies covers a period almost unprecedented in the number of new and unfavorable factors which have arisen. Such condition could not continue indefinitely, and an era of improvement, particularly during the past four months, has already set in. In the cured meat trade—

(1) The Canadian product has once again established its reputation in the British market as second to none.

(2) The volume of exports which had declined drastically is now steadily expanding and replacing in the British market the products of other exporters.

(3) In the fresh meat trade the severe price liquidation following the post-war price boom has terminated, and recent price trends have become more stable at the lower level, a "sine qua non" of profitable operation in this industry.

There are, in addition, several general factors having an important bearing on the industry's immediate future.

In the first place, the economic recovery of Europe has a very real relation to the Canadian export market. In pre-war days the continental countries produced just about enough packing house products for their own consumption. With the return of pre-war industrial output and its concomitant pre-war purchasing power—the continent will absorb more of its meat output and thus ease the pressure on the British market. A statement in the Royal Bank monthly letter for May, 1927, indicates the very substantial character of European recovery; "Northern and Western European countries now have a volume of external trade equivalent to that which existed in 1913, with the result that increased optimism as to the rapidity of economic recovery is becoming widespread. In Southern Europe, foreign trade has recovered to a point where its present volume is about 75 per cent. as large as that of 1913."

In the second place, last year abundance of corn and a scarcity of hogs in the United States, made relatively low feed prices which encouraged European farmers to import feed and produce pork to compete with us on the British market. With a return to normal conditions of production, the prices of hogs and feed will not be favorable to European production. The ability of the Canadian farmer (under normal conditions) to produce hogs suitable for high quality bacon at a price which will compare favorably with production costs in other countries is regarded by experts in the trade as an established fact.

May Be U. S. Market

In the third place, to experts in the packing trade, the United States market has very real possibilities in the not too distant future. Chief among their reasons for this belief is the tendency for the United States to increase in population, especially in industrial centres and hence to become a food-importing country.

And finally, in the domestic market the Canadian packing industry finds its position supreme and unassailable. In good times or bad the Canadian people must be fed, and any well-managed company operating in Canada with an established connection can secure business in volume, regardless of the vagaries of the export market. This is proven by the unbroken record of prosperity over a long period of years of well-managed Canadian companies. The importance of this home market for the Canadian packers becomes apparent upon consideration of the fact that in the four years 1922-1925 inclusive, the average annual consumption of meats in Canada represented 77.7 per cent. of the annual value of the total meat products of Canadian packing houses. Furthermore, as a meat consuming country Canada ranks very high in comparison with the United States and European countries.

That there is very real competition in the fresh and cured meat trade in Canada is well-known. An examination of the number of companies and plants operating in Canada to-day further bears this out. Only a few of these, however, are country-wide in the scope of their operations and still fewer are factors in the export market, and while the conditions have not prevented many of these companies operating continuously with profit the competition undoubtedly has been one of the many factors determining the degree of success of these companies' operations in recent years.

In conclusion, attention might well be directed to the record of growth in Canadian agriculture and to the immediate prospects for its further tremendous development broadly based upon the large tracts of undeveloped land still available in the Western Canadian provinces. There can be little doubt that this forward movement in Canadian agriculture will be accompanied, as in the past, by a similar development in related industries, among which the packing industry occupies an all-important place.

BOND MOVEMENTS OF THE WEEK

Week Ending Aug. 16.

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos 5s	5	1942	4.71	100	95	103	97	105	..	103	100½
Do. 6s	6	1956	6.50	83¾	81¼	94⅛	88	93	92⅛	93¼	92⅞
Dom. Canners	6	1940	6.11	101	99	101½	99	..	100	99	99
Cedar Rapids	5	1953	5.01	101½	98⅛	101	99	..	100⅜	100⅛	99
Montreal Trans. "A"	5	1955	5.22	95	92½	97	94¼	97⅛	96⅛	96¾	96⅛
Ogilvie "A"	6	1932	4.97	104½	103½	105	104¼	104½	104	104½	104½
Quebec Rly.	5	1939	4.94	100	91⅛	100½	96	..	100⅜	100½	100⅜
Wayagamack	6	1951	6.10	100⅝	90	100	97	99	98½	99	99
War Loan	5	1931	4.70	100.40	100.35	101.85	100.75	101.65	101.40	101.40	101.25
Do.	5	1937	4.50	104.95	102.75	104.40	102.95	104.60	104.35	104.40	104.15
Victory Loan	5½	1927	4.90	102.50	100.15	101.00	99.85	100.20	100.10	100.15	100.00
Do.	5½	1933	4.70	106.35	103.20	105.20	103.90	104.90	104.65	104.90	104.70
Do.	5½	1934	4.97	104.40	102.65	104.10	103.00	103.40	103.25	103.30	103.00
Do.	5½	1937	4.55	103.90	106.70	108.50	106.90	108.45	108.20	108.45	108.10
Do., Renewal	5½	1927	4.75	101.05	100.00	100.80	99.90	100.30	100.05	100.10	99.90
Do., Renewal	5½	1932	5.00	103.90	102.00	103.55	101.85	102.70	102.45	102.40	102.30
Do., Refund	5	1928	4.85	101.35	99.00	101.45	99.75	100.35	100.10	100.35	100.15
Do., Refund	4½	1940	4.55	96.95	95.60	100.05	96.60	99.10	98.85	99.10	99.10
Do., Refund	5	1943	4.65	102.80	101.10	103.90	102.30	103.65	103.50	103.45	103.40
Do., Refund	4½	1944	4.55	97.15	95.70	100.10	98.05	99.35	99.05	99.05	98.90
Do., Refund	4½	1946	4.54	99.60	95.65	100.25	96.70	99.40	99.25	99.35	99.35

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVIN CIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Leamington, Ont.	Aug.	Harris, McKeen & Co.	5½%	15-ins.	$24,171	102.21	5.16
Joliette, P.Q.	Aug.	Versailles, Vidricaire & Boulais	5%	15-ser.	35,000	99.53	5.07

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Stock Issues—							
General Combustion Co.	Aug.	MacIntyre & Co.	....	....	35,700 shs.	Par $10	
Public Golf Course	Aug.	Gilman, Corbin & Co.	7%	Pref.	9,500 shs.	Par $10	
			(With bonus 2 shs. common with each 5 pref.)				
Pilsner Beer	Aug.	Mount Royal Securities	....	....	$100,000	Par	..
		(With	bonus of 2 shs. common with each 10 pref.)				

This Week's Bond Sales

TOWN OF KENORA

The treasurer of the Town of Kenora rejected all bids on the call for tenders of $138,773, 5 per cent. 26 and 30-instalment debentures. The rejected bids applied to the sinking fund which amounted to $13,773 and $125,000 30-instalment debentures. Bids:

C. H. Burgess & Co.	98.21
McLeod, Young, Weir & Co.	96.03
Wood, Gundy & Co.	97.53
Dyment, Anderson, Sk. Fund	94.29
Dyment, Anderson Instal.	95.17

CITY OF BRANDON

The City of Brandon $40,000, 5½ per cent., 30-year bonds due October 1, 1957, have been awarded to the Canadian Bank of Commerce at 105.15 and interest. Other bids submitted were as follows:

Dominion Bank	105.02
Wood, Gundy and Company	104.26
Imperial Bank of Canada	102.00
Bond and Debenture Corporation.......	104.32
Bell, Gouinlock and Company	104.03
A. E. Ames and Company..............	102.00

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Tenders and By-laws

August 20, United Townships of Mansefield and Pontefract, P.Q.—$15,000, 5½ per cent., serial debentures. D. J. Shea, sec.-treas.

August 29, Sioux Lookout—$30,000, 5 per cent., 20-instalment.

Aug. 24—Cochrane—$50,000, 5 per cent. 20-instal. High School debs R. C. Mortson, clerk and treas.

Aug. 22, Nepean—$35,000, 5½ per cent., 20-instalment.

SASKATCHEWAN

Authorizations granted by the local government board from Aug. 6 to Aug. 13, 1927.

Schools

Lyndhurst, $2,000, 10 years Ann. N. E. 6 per cent. Sec.-treas., G. M. Moss, Young.

Glen Kerr, $3,500. 15 years Ann. N. E., 7 per cent. Sec.-treas., J. T. Glover, Morse.

London, $700. 10 years Ann. N. E., 6 per cent. Sec.-treas., M. Bergquist, Gladmar.

Hepburn, $19,000. 20 years Ann. N. E., 6 per cent. Sec.-treas., J. Schmidt, Hepburn.

Connell Creek, $1,000. 10 years Inst. N. E. 7 per cent. Sec.-treas., G. Lindsay, Jordan River.

Rural Telephones

McDonald Hills, $1,400. 10 years Ann N. E., 6 per cent. Sec.-treas., W. S. Walden, Dysart.

White Shore, $2,000. 10 years Ann. N. E., 7 per cent. Sec.-treas., C. L. Sloan, Landis.

Meskanaw, $1,100. 15 years Ann. N. E., 8 per cent. Sec.-treas. J. G. Davidson, Kinistino.

Rhein, $875. 10 years Ann. N. E., 8 per cent. Sec.-treas., J. Kinzel, Rhein.

Debentures Reported Sold

Marigold S. D., $7,000, 15 years, 5 3-8 per cent, Waterman-Waterbury Mfg. Co.

Inkster S. D., $2,500, 10 years, 5½ per cent., H. M. Turner and Co., Regina.

Meadow Prairie, $4,500, 15 years, 5¾ per cent., H. M. Turner and Co., Regina.

Willows S. D., $4,000, 15 years, 5 3-8 per cent., C. C. Cross and Co.

Wood End R. T. Co., Ltd., $1,250, 8 years, 6 per cent., Geo. Moorhouse and Co., Regina.

Town of Estevan, $10,000, 10 years, 6 per cent., Houston, Willoughby and Co.

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Fifth Annual Statement

Toronto Transportation Commission

December 31st, 1926

Public Utilities Building, 35 Yonge Street,
Toronto 2, August 9th, 1927.

ANNUAL STATEMENT — 1926

Thomas Foster, Esq., Mayor, and Members of the Council
of the Corporation of the City of Toronto.

Gentlemen:

Your Commissioners submit herewith the Fifth Annual Statement of the Toronto Transportation Commission for the year 1926.

The result of the year's operation, after providing for all maintenance and operating expenses, interest, sinking fund, and reserves, was a net income to be carried to surplus of $76,951.23, which is slightly over one-half of one per cent. of the gross revenue. The gross revenue was $12,050,304.23; operating expenses were $7,508,915.80, and fixed charges and reserves amounted to $4,464,437.20.

It is encouraging after the experience of a continuous decrease in passenger revenue for about two and one-half years to report that there was an improvement in the year 1926. While it is hoped that this improvement will continue, the increase is not great, and does not warrant the expectation of any large program of extensions in the near future.

One of the most difficult conditions your Commission has to meet is the constant demand for extensions of its rail lines and bus services into localities from which practically no additional revenue can be derived. While your Commission recognizes its obligations as a publicly owned utility to provide city-wide service, yet it must have regard for fundamental economic considerations if the present rates of fare are to be maintained. The revenue from the universal fare system has varied only slightly from year to year. The problem of administering the system would be greatly simplified if there were a moderate and consistent yearly increase in revenue.

As is indicated by the audited reports, the transportation system is in a sound financial condition, and it is confidently believed that with increasing traffic this position will steadily be strengthened and improved. The city system and motor coach operations of the Commission have not involved the expenditure of one dollar of the taxes.

Attached hereto is the report of the General Manager, prepared in collaboration with and approved by your Commissioners, which discusses in detail the various phases of the Commission's activities.

Respectfully submitted,
P. W. ELLIS, Chairman.
GEO. WRIGHT, Commissioner.
E. J. LENNOX, Commissioner.

35 Yonge Street, Toronto 2, August 9th, 1927.

P. W. Ellis, Esq., Chairman,
George Wright, Esq., Commissioner,
E. J. Lennox, Esq., Commissioner,
The Toronto Transportation Commission.

FIFTH ANNUAL STATEMENT — 1926

Gentlemen:

I beg to submit herewith a review of the operations of the Commission for the year 1926, together with the Balance Sheet, Revenue Account and other comparative financial and statistical statements.

The accounts presented have been audited by Mr. Sholto C. Scott, City Auditor, and his certificate is attached hereto.

The financial results of the year's operations are as follows:—

Gross Income	$12,050,304.23
Total expenditure for Operation and Maintenance	7,508,915.80
Net Income available for Fixed Charges	$4,541,388.43
Fixed Charges and Reserve	4,464,437.20
Net Income carried to Surplus	$76,951.23

BALANCE SHEET:

The investment in Capital Account, as of December 31st, 1926, was $45,350,484.26.

Capital expenditure in Road and Equipment totals $39,374,813.22 as of December 31st, 1926. The net additions to the property accounts during the year were slightly over $600,000.00, all of which were financed by the Commission without increasing the debenture debt and without disturbing the invested capital funds held in trust for the Commission by the City Treasurer.

The amount carried on our books classified as "Franchise and Other Intangible Assets" now stands at $4,375,449.31 as of December 31st, 1926. This item has been referred to at length in reports of previous years. The amount represents payments the City has been forced to make for the property of the Toronto Railway Company in excess of any reasonable valuation and for franchises and rights of certain radial railways which previously operated within the City limits. In line with the policy adopted by the Commission in 1925, this large item is being amortized as rapidly as conditions will permit.

The Commission in 1925 applied $941,941.50 of the accumulated reserves toward the reduction of the intangible assets. In view of the small additions to the capital accounts and the fact that no large replacements will be necessary in the near future, it was possible to make a further reduction of these assets and an additional amount of $834,844.01 was therefore applied to this purpose in 1926. During the last two years the intangible assets have been reduced by $1,776,785.51.

The Reserve for Replacements, as of December 31st, 1926, amounts to $2,811,412.22. This represents the minimum that can be justified. In view of the large amount of depreciable assets included in the Road and Equipment accounts, the reserve may appear inadequate. It should be pointed out, however, that a very large part of the physical plant is almost new and that the standard of maintenance in connection with all property of the Commission is high. It appears as though no extensive replacements will be necessary for a period of some years. It is felt, therefore, that a large Replacement Reserve is not required at the present time and that a portion of the accumulations may justifiably be applied to improvement of the general financial structure.

The Commission, by this action, is not overlooking the importance and necessity of the Reserve for Replacements. Although deferred, replacements of the physical property are inevitable, and in the revenue accounts for 1926 there has been appropriated from net income the sum of $998,911.00 for the purposes of this Reserve.

The Net Funded Debt less funds transferred to the City Treasurer for redemption of debentures is $39,640,679.47 as of December 31st, 1926, a reduction of over $1,000,000.00 from the position at the close of the year 1925.

REVENUE ACCOUNT:

The gross income of the Commission for the year 1926 was $12,050,304.23, an average of more than one million dollars a month, and the largest in the history of the system. Examination of the Revenue Account shows, however, that this record was attained primarily by the large increase in the revenue from motor coach transportation, which in 1926 exceeded $300,000.00, and that the revenue from the railway and bus transportation, while exceeding that of 1925, was still some $250,000.00 below the revenue obtained from street cars and buses in the year 1923.

The increase in the railway and bus passenger revenue compared with the year 1925 was $204,796.69, a gain of slightly more than one and eight-tenths per cent. While this increase is small, it is a very encouraging condition in comparison to the losses experienced in the years 1924 and 1925.

In Table III. accompanying this report there is set out the number of revenue passengers carried on the street railway and buses of the Commission for each year since 1921, exclusive of the passengers carried in motor coaches. The gain in revenue passengers in 1926 compared with the previous year was 2,714,151, but the total number carried for 1926 was still more than five and one-half million passengers below the record established in 1923.

The improvement in 1926 has continued throughout the early months of 1927. It is quite evident that there has been an improvement in general business conditions in the Toronto district resulting in increased employment, and that the transportation system has benefited therefrom. The fact that there has been an increase in the number of passengers carried, notwithstanding a very large increase in the number of private motor cars registered in Toronto, is also an encouraging indication.

Toronto Transportation Commission

Balance Sheet as at 31st December, 1926

ASSETS

FIXED ASSETS		
Road and Equipment—Land, Buildings, Electrical Distribution System, Trackwork, Rolling Stock, Motor Coaches, Motor Buses, Machinery, Tools and Construction Equipment	$39,374,813.22	
Franchise and other Intangible Assets, less amount written off	4,375,449.31	
Debenture Discount and Expenses, less amount pertaining to Debentures Redeemed	1,572,821.73	
Mortgages	27,400.00	
		$45,350,484.26
CURRENT ASSETS:		
Stores	$ 616,431.39	
Accounts Receivable, less Reserve for Estimated Losses	1,097,549.28	
Advances to Agents and Conductors	177,850.00	
Capital Funds in hands of City Treasurer	1,988,199.41	
Cash on Hand and in Banks	156,556.47	
		4,036,586.55
DEFERRED CHARGES:		
Prepaid Insurance and other Expenses	$ 60,186.14	
Bay Street Temporary Bridge Trackwork	11,392.51	
		71,578.65
		$49,458,649.46

LIABILITIES

CAPITAL ACCOUNT:		
Corporation of the City of Toronto—		
Proceeds of the Issues of Debentures	$41,509,973.07	
Debenture Discount and Expenses	1,575,367.58	
	43,085,340.65	
LESS: Funds transferred to City Treasurer for Redemption to Debentures and Debentures Redeemed out of Surplus Sinking Funds	3,444,661.13	
		$39,640,679.47
CURRENT LIABILITIES:		
Accounts Payable, Due and Accrued	579,573.32	
Debenture and Other Interest	173,875.82	
Redemption of Debentures Accrued but not yet due	473,231.04	
		1,226,680.18
CAPITAL RESERVES:		
For Replacements, less amount written off Intangible Assets	$ 2,811,412.22	
For Exchange on Redemption of Debentures	887,643.00	
For Sinking Fund	1,107,887.37	
By Debenture Redemptions	2,334,227.96	
		7,141,170.55
OPERATING RESERVES:		
For Workmen's Compensation and Public Liability	$ 665,964.14	
For Tickets in Hands of Public and not yet used	214,382.96	
For Lost Articles	9,250.58	
For Contingencies	312,149.74	
		1,201,747.42
ACCUMULATED SURPLUS		248,371.84
		$49,458,649.46

Toronto Transportation Commission

Revenue Account for the Year Ended 31st December, 1926

Section I.: Showing Net Income from Operations

EXPENDITURES

Cost of Electric Current, including Maintenance and Operation of Substations	$ 1,173,581.08
Expenses of Operation, Maintenance, Repairs, Taxes and Administration, including Accrued Charges	6,123,786.46
Expenses of Operation of Motor Coaches	211,548.26
Income Available for Fixed Charges, carried to Section II	4,541,388.43
	$12,050,304.23

INCOME

Earnings from Passengers	$11,362,690.29
Earnings from Passengers—Motor Coaches	300,811.21
Income from Sundry Other Sources	386,802.73
	$12,050,304.23

Section II.: Showing Disposition of Net Income

Interest		$2,233,494.92
Reserves on Capital Account—		
For Redemption of Debenture Debt	$1,039,550.68	
For Replacements	998,911.00	
		2,038,461.68
Reserves on Operating Account—		
For Workmen's Compensation and Public Liability	132,480.60	
For Contingencies	60,000.00	
		192,480.60
Net Income carried to Surplus		76,951.23
		$4,541,388.43

Income Available for Fixed Charges	$4,541,388.43
	$4,541,388.43

Toronto Transportation Commission

Accumulated Surplus as at 31st December, 1926

Balance as at 31st December, 1925		$310,313.78
ADD:		
Sale of Sundry Items of Equipment and Property	$15,639.91	
Delayed Income and Miscellaneous Credits	63,163.31	
		78,803.22
		$389,117.00
LESS:		
Surplus Applied to Reserves	$193,638.21	
Loss on Retired Equipment	2,572.15	
Donation—Sir Adam Beck Memorial Fund	10,000.00	
Delayed Income and Miscellaneous Debits	11,486.03	
		$217,696.39
		$171,420.61
ADD: Net Income from Operations for Year 1926		76,951.23
		$248,371.84

Department of Audit, City Hall, Toronto, 12th May, 1927.

To the Chairman and Members,
The Toronto Transportation Commission, Toronto.

I have completed the audit of the Books and Accounts of the Toronto Transportation Commission for the year ended 31st December, 1926.

I have verified the Cash and Bank Balances. Inventories of Materials and Supplies on hand have been produced and were certified by the proper officials. The Officers of the Commission have also certified that all known Assets and Liabilities as at the end of the year have been included in the Accounts. I have verified the details relating to the Debenture Debt and to the Sinking Fund with the records in the Treasury Department of the City of Toronto. I have not examined the Titles to the land in the possession of the Commission, but the General Counsel of the Commission has certified to the proper registration thereof.

Subject to the above, I certify that the Balance Sheet attached hereto is properly drawn up, and, in my opinion, sets forth the financial position of the Commission as shown by the Books as at 31st December, 1926.

(Signed) SHOLTO C. SCOTT.
City Auditor.

The operation of motor coaches which was commenced in May, 1925, has been greatly extended during the past year. A total of $132,008.03 was obtained from this source in 1925. In 1926 the gross income was $300,811.21. There has been a surplus each year from the operation of motor coaches.

The various classes of service which were operated in 1925 were continued in 1926, including sightseeing trips, the chartering of motor coaches to private parties, coach transportation to the race tracks and to the Canadian National Exhibition, transportation of school children, and a regular scheduled service to the "Hill" district. In addition, there was inaugurated in July a regular service between Toronto and Niagara Falls. All of these services, which are operated as a separate undertaking and distinct from the street railway and bus transportation, have proved to be very popular, although the rates charged are in all cases necessarily in excess of the rates charged on the street railway. As many as 49 coaches have been chartered in a single rental contract.

The Expenses of Operation of the Commission for the year 1926, including the Cost of Electric Current, Maintenance, Repairs, Administration and Taxes, but exclusive of the operation of Motor Coaches, amounted to $7,297,367.54. This total compares with $7,292,298.93 in 1925.

A comparative statement of the Revenue Account is shown on Table I, attached hereto. It is of interest to analyze the expenditures of operation in view of the increase in gross income from railway and bus transportation of $204,796.69. The detail figures in Table I. show that the Cost of Electric Current, including operation and maintenance of substations, increased $64,638.85, and other expenses decreased $59,570.24.

The Transportation Commission purchases all the power for operation of the railway from the Toronto Hydro-Electric System, who in turn purchase from the Hydro-Electric Power Commission of Ontario. The power supply has been very reliable. There were only a few momentary interruptions during the past year. In 1921, the first year of operation of the Transportation Commission, the Toronto Hydro-Electric System paid for power delivered at the Terminal Station $18.54 per H.P. In 1926 the price paid was $26.05 per H.P. The average cost of power converted and delivered as direct current was 1.40 cents per kilowatt hour in 1926. The aggregate amount paid for purchased power was $1,077,277.80.

Examination of the comparative statements of Table I. indicates the importance and need for economies. The annual charges for interest and sinking fund on the debenture debt increased in 1926 approximately $125,000.00 over the requirements of the year 1925. In addition, it was necessary to appropriate a larger amount for the Replacement Reserve.

The large annual increases in the debt charges, which have been referred to in previous reports, will not continue beyond 1926 unless the Commission is obliged to increase the debenture debt. A policy to which the Commission has consistently adhered since the commencement of operation is that extensions or additions to the system should not be made unless they will earn sufficient additional revenue within a reasonable period to meet all the expenses of operation and fixed charges on the new capital. If extensions are made without regard to economic considerations, the fare, which is now almost the lowest on the continent for cities of comparable size, will inevitably have to be increased.

The expenses of operation of motor coaches totalled $211,548.26, resulting in a net income of $89,262.95, which was more than sufficient to meet all fixed charges on the capital invested, including an adequate allowance for depreciation.

The mileage operated by street cars and buses, but not including motor coaches, aggregated 25,533,893 miles in 1926, an increase over the mileage in 1925 of 286,835.

SURPLUS ACCOUNT:

The net income carried to surplus for the year 1926 was $76,951.23. The accumulated surplus as of December 31st, 1926, amounted to $248,371.84.

The largest adjustment in the surplus account during the year was the transfer of $193,638.21 to the Reserve for Replacements. If sound business principles are to be followed, it is imperative to create proper reserves and to amortize the relatively large amount of intangible assets before accumulating any substantial surplus.

ANALYSIS OF FARE:

During the year 1926 the average fare collected on the Toronto transportation system was 6.16 cents. In the United States the average fare at the close of 1926 in all cities (except New York) of 50,000 population or larger, was 7.42 cents.

There are 24 cities in the United States and Canada (served by one street railway system) which have a population of 250,000 or more. Only one city has a fare lower than Toronto, and in this city the difference is less than a quarter of one cent.

The following table gives a distribution of the average fare:—

	Cents per Passenger	Per cent. of Cost
Maintenance of Trackwork, overhead and structures	.366	5.93
Maintenance of Equipment	.506	8.21
Power	.653	10.58
Operation of Cars and Buses	2.139	34.72
Tickets and Transfers	.040	.65
Insurance	.030	.48
Taxes, Legal and Miscellaneous Expenses	.091	1.50
General Offices, Accounting, etc.	.137	2.23
Interest on and Redemption of Capital and Replacements	2.200	35.70
Totals	6.162	100.00

Revenue from sundry other sources, amounting to 0.217 cents per passenger, provides the additional amount required to make up the full allowance necessary for Replacements and other operating reserves.

TRACKWORK:

The totals for the year, expressed in miles of single track, are as follows:

Track owned as of December 31st, 1925		227,404	miles
Extensions built in 1926	1.561 miles		
Track removed in 1926	0.173 miles		
Net addition to trackage in 1926		1.388	"
Track owned as of December 31st, 1926		228.792	"
Track operated in Township of York		13.698	"
Track operated in Town of Weston		1.760	"
Total track operated as of December 31st, 1926		244.250	"
City Coach and Bus Routes, return trip mileage as of December 31st, 1926		24.770	"
Total mileage as of December 31st, 1926		269.020	"

Two small extensions were constructed during the year. In connection with the harbour developments, new Island Ferry Docks were built by the Harbour Commission on Queen's Quay at the foot of York Street. To provide a more convenient service for passengers using the Island ferries and lake steamers a temporary extension and loop were constructed from Front Street to these docks.

Also, in connection with the development of the important industrial area created by the Toronto Harbour Commissioners, the Commission extended the tracks on Spadina Avenue southerly to Fleet Street, across the new bridge constructed over the steam railroad tracks and terminal yards.

Renewals of tangent track were negligible during the year, and only four important intersections were renewed.

BUILDINGS:

No new large buildings were constructed during the year. The most important work carried out was an alteration of the paint shop at the Hillcrest property so that a modern and economical system of spray painting could be installed.

During the year the last of the three storage batteries which the City was obliged to purchase from the Toronto Railway Company became useless and the Commission disposed of the equipment at scrap values.

ROLLING STOCK:

The Commission owns 972 passenger street cars, 82 electric service cars, 122 buses and coaches, and 39 motor trucks. All of this equipment is maintained in good operating condition and is used in regular service.

The reconstruction work on the cars originally acquired from the Toronto Railway Company was completed during the year. On December 31st, 1925, there were 98 pay-as-you-enter cars still remaining to be rebuilt. Of these 32 were converted into pay-as-you-leave cars, and 66 were converted for two-car train operation. Nine additional motor coach bodies were built at the Hillcrest Shops in 1926.

ROUTING:

The principal changes in routing during 1926 were as follows:

Ferry Route: Commenced operation on May 22nd from the Ferry Docks to the corner of Queen and Yonge Streets. After November 1st, this route operated only between the Ferry Docks and Front Street.

Oakwood Bus Route: Commenced operation on January 11th between Davenport Road and St. Clair Avenue on Oakwood Avenue.

Winchester Bus Route: Discontinued on March 31st.

TOWNSHIP OF YORK AND TOWN OF WESTON.

The Commission continued operation of the street railways in the Township of York and Town of Weston during the year under the special operating agreements which have been referred to in previous reports. These agreements impose no financial obligations on the Commission. A separate report is submitted to these municipalities on the operation of their system.

VILLAGE OF FOREST HILL:

On November 1st, 1926, the Commission, at the request of the Council of the Village, inaugurated a bus service in Forest Hill on a service at cost basis.

TORONTO AND YORK RADIALS:

Reference was made in the 1925 statement of the Commission to the fact that, in response to the City's request, the Commission had submitted a report on the Toronto and York Radial Railways with respect to financial or other advantages which might accrue to the City if these railways were co-ordinated with the City system.

Discussions and negotiations were carried on at intervals during the year 1926, and the radial system was transferred to the Commission on January 12th, 1927. In the original report of October, 1925, the Commission set out certain plans of operation which could be adopted and from which certain financial advantages were evident. Some progress has been made toward the carrying out of these plans.

CONCLUSIONS:

The outstanding feature in connection with the operation for the year 1926 was the improvement in traffic, which is most encouraging after the decrease in passenger revenue experienced in 1924 and 1925. All indications point to continued improvement in the present year, although it is most unlikely that the record of the year 1923 will be exceeded.

The fundamental need of the system is more business. Without increased revenue it is impossible to justify further extensions. In the report for the year 1923, the highest period of traffic in the history of the Commission, it was stated:

> "The main program of rehabilitation as laid down by the Commission has been completed. The few remaining items and further extensions cannot be justified until there is an improvement in traffic, which can be anticipated when general business conditions improve, and the growth of the City's population returns to what has been experienced in the past."

With less traffic at present than in 1923, the above statement is even more applicable than at the time it was written.

It has been pointed out that the increase in revenue in 1926 was largely the result of increased patronage of the motor coach services operated by the Commission. Much of the coach service provided is of a purely local character in the City of Toronto, although the use of chartered coaches from Toronto to outside points has reached large proportions.

Proper co-ordination of the transportation services of any large city to provide adequate and convenient facilities should include regular and reliable service to important centres outside. At the present time several million passengers are transported into and out of Toronto by interurban buses. The report of the Motor Bus and Truck Committee of the Canadian Electric Railway Association, adopted by the Association in 1927, very definitely states the situation:—

> "It is becoming more and more apparent that the operation of automotive vehicles by the transportation agency of any given area should not be confined strictly to the geographical boundaries of such area. For the street railway system of a city to sit meekly by while others preempt all profitable interurban or suburban routes under conditions amounting in practice to perpetual franchises on such routes, spells disaster in the long run to any such system. It involves a constantly increasing loss of local fares to such through-running buses, the creation of a net-work of outside franchises stifling and forbidding the normal growth and development of the local system, the occupancy by others of a field logically belonging to such system and necessary to the economical development of its urban services, and a substantial and pronounced loss of prestige and local favour."

In conclusion, I desire to express on behalf of the Officials and myself our appreciation of the assistance and co-operation accorded the Commission's work by the Public, the Civic Authorities, and the Ontario Railway and Municipal Board. I wish to thank sincerely the Staff and the Men who are putting forth every effort to give the Public the best possible service.

Your obedient servant,
D. W. HARVEY,
General Manager.

Tables and Financial Statements

TABLE I.

Comparative Statement of Revenue Account

	1925	1926
INCOME		
Passenger Earnings:		
Railway and Bus Transportation	$11,157,893.60	$11,362,690.29
Motor Coach Transportation	132,008.03	300,811.21
Income from Sundry Other Sources	336,757.07	386,802.73
Gross Income	$11,626,658.70	$12,050,304.23
EXPENDITURE		
Cost of Electric Current, including Operation and Maintenance of Substations	$1,108,942.23	$1,173,581.08
Expenses of Operation, Maintenance, Repairs, Administration and Taxes, including Accrued Charges	6,183,356.70	6,123,786.46
Expenses of Operation—Motor Coaches	95,271.90	211,548.26
Total Expenditure	$7,387,570.83	$7,508,915.80
Net Income available for Fixed Charges	$4,239,087.87	$4,541,388.43
FIXED CHARGES		
Interest	$2,207,819.39	$2,233,494.92
Reserves on Capital Account:		
Redemption of Debenture Debt	873,883.97	1,039,550.68
Reserve for Replacements	909,352.00	998,911.00
Reserves on Operating Accounts:		
Reserve for Workmen's Compensation and Public Liability	126,968.75	132,480.60
Reserve for Contingencies	50,000.00	60,000.00
Reserve for Doubtful Debts	13,000.00	....
Total Fixed Charges and Reserves	$4,181,024.11	$4,464,437.20
Net Income carried to Surplus	$58,063.76	$76,951.23

TABLE II.

Comparative Operating Statements

GROSS INCOME

1921 (four months)	$ 4,071,969.79
1922	11,651,512.49
1923	11,852,334.63
1924	11,709,695.28
1925	11,626,658.70
1926	12,050,304.23

OPERATING EXPENDITURES

1921 (four months)	$ 2,499,773.34
1922	8,468,841.54
1923	8,104,680.29
1924	7,788,563.81
1925	7,387,570.83
1926	7,508,915.80

NET INCOME

1921 (four months)	$ 1,572,196.39
1922	3,182,670.95
1923	3,747,654.34
1924	3,921,131.47
1925	4,239,087.87
1926	4,541,388.43

INTEREST AND REDEMPTION OF DEBT

1921 (four months)	$ 642,805.99
1922	1,837,977.28
1923	2,387,725.79
1924	2,733,385.64
1925	3,081,703.36
1926	3,273,045.60

TABLE III.

Comparative Statistics

Revenue Passengers

(City Fare System)

Year	
1921 (four months)	61,870,213
1922	187,145,261
1923	189,143,145
1924	185,203,698
1925	180,779,925
1926	183,494,076

Month	1925	1926
January	16,314,899	15,687,830
February	15,065,782	15,067,733
March	16,020,330	16,487,826
April	14,904,316	15,177,829
May	14,922,004	15,224,681
June	14,367,817	14,588,118
July	13,441,204	13,930,141
August	13,643,436	13,976,569
September	15,410,594	15,616,925
October	15,393,333	15,423,929
November	15,133,421	15,504,898
December	16,162,789	16,807,597
Totals	180,779,925	183,494,076

Canada's Trade With Countries on Pacific Shows Large Expansion

According to Dominion trade statistics the port of British Columbia handled in the past fiscal year imports to the value of $84,936,550, and exports to the extent of $170,510,188, while the respective figures two years previously were $66,486,115 and $147,531,202, and five years before $44,959,81 and $70,020,304. Vancouver, which accounts for by far the greater volume of trade in and out of the province, had imports amounting to $69,390,839 and exports to $116,569,768 in 1926-27, as compared with imports of $36,576,233 and exports of $42,367,051 five years previously. Vancouver has probably experienced greater and more sustained activity proportionately in the post-war period than any other city of Canada, and this has been due very largely to her development as a port.

Big Trade Growth on Pacific

According to statistics compiled by the National Foreign Trade Council of New York, Canada leads all nations in increase of trade since 1913, with 85 per cent. increase as compared with Australia's 45 per cent. and the United States 31 per cent. This expansion has been very general, but the growth in business with countries across the Pacific has been outstanding and this trade has been an important factor. Though in the last fiscal year Canada's imports from the Orient and Antipodes amounted to just over 2½ per cent. of all imports, and exports to these countries to a little over 6 per cent. of all exports, the development of the post-war period has been enormous.

Favorable Trade Balance

In the fiscal year ended March 31, 1914, Canada had barely a favorable balance in this volume of trade, total imports amounting to $7,807,903 and exports to $8,703,944. In the last fiscal year, with exports at $75,950,364 and imports at $27,084,955, the Dominion had a favorable balance of $48,865,409. In the war and post-war periods exports from Canada to the Orient and Antipodes have increased by over 770 per cent. and imports from those countries by nearly 250 per cent.

This has been the result of a diversity of causes. The great and very varied natural resources of the province have experienced greater exploitation under the influx of capital and the aggressive action of the people of the province. Unexpected developments in the countries of the Orient and Antipodes have brought about a great and increasing demand for the products of the Pacific coast province and other parts of Canada. These and other factors have tended to give new significance to trade across the Pacific which, while in some respects temporarily affected at the present time, can only be regarded as yet in its infancy.

Exports to China Increase Largely

In all her trade across the Pacific, Canada has a substantial favorable balance, which in spite of the increasing volume of business transacted is being well maintained. Between 1924 and 1925 exports to China increased from $7,838,187 to $24,473,446. Due to the disturbance in that country they fell to $13,516,939 last year. Imports in the three-year period increased from $2,529,880 to $5,041,592. Exports to Japan, which through the volume of its purchases had made itself Canada's first customer, similarly received a temporary setback in the past year. Exports, which increased from $22,046,486 in 1924 to $34,694,862 in 1925, dropped to $29,929,031 in 1926. In the three years Canadian imports were respectively $6,985,056, $9,564,074, and $11,170,373. Exports to Australia in the past three years have been respectively $12,035,086, $15,411,746, and $18,965,881, and imports from that country $2,634,713, $3,042,054, and $6,296,197. Exports to New Zealand increased from $15,079,451 in 1924 to $16,562,007 in 1925, and slumped to $13,538,513 in 1926, while imports were respectively $1,191,299, $2,725,235, and $4,576,793.

Experts freely predict that when the present disturbance in China is over a much greater volume of trade for Canada will come out of that country. The disturbance in the rise of Japanese purchases is due to purely temporary causes and will unquestionably be resumed with that country vying again for place as the Dominion's first customer after the United States and United Kingdom. Several Australian missionaries have been in Canada endeavoring to expand mutual trade with the special object of reducing their adverse trade balance. New Zealand has expressed itself as anxious to conclude a trade treaty with the Dominion similar to that in force with Australia which would bring about yet greater business.

Steady Growth of Vancouver

The Canadian Pacific coast and Vancouver in particular is shaping itself for the handling of a much greater trade. Vancouver's principal item of Diamond Jubilee celebration was the official opening of the new 1,100 foot Canadian Pacific Railway pier, the second largest pier on the American continent and said to be the only pier in the world built in such deep water. Elevator accommodation is steadily being added to, having regard not alone to the European trade, but the more significant Oriental demand for Canadian cereal products. A livestock exchange was recently created with stockyards in South Vancouver to handle provincially-produced cattle. Fish reduction plants are multiplying rapidly. A large part of such development is being effected with an eye to the Antipodean or Oriental markets, either the supplying them with provincial products or the handling of those of other sections of the Dominion.

Giving Buyers More to Spend

By R. M. HUDSON,
Chief of Division of Simplified Practice,
U.S. Department of Commerce.

Business men are devoting much energy these days to making the public want to buy their goods—to creating among consumers the "desire to buy." For the consumer who translates this desire into action through purchasing the goods, the path to possession is made smoother by the deferred payment plan. Some sellers may feel this is about as far as they can go toward making it easier for the public to buy their wares.

On the other hand, as more of our business men study the primary forces producing continuous purchasing power, we may expect to see more attention given to making the public better able to buy. In other words, in this constant struggle for a larger portion of the consumer's dollar, consideration must be given not only to the dollar he now has in hand, but also to those likely to come into his hands after this one is gone. Where are the future "consumer dollars" coming from? How many of them will there be per consumer?

Certainly not all of the effort should center on getting more of the consumer's present income away from him. Some of the effort might well be directed toward strengthening, or even increasing, the consumer's income as a guarantee of the constancy of his purchasing power. Continuous buying is the result of continuous power to buy and that power has to be regenerated or replenished as it is used.

Firms making consistent effort to eliminate waste through simplification and standardization, to improve both products and processes—thus to give better value for the same or for less money—are strengthening the consumer's power to buy. Likewise, companies endeavoring to stabilize employment in their plants, to provide steady jobs at good wages for their workers, are reinforcing the buying power of their own employees as part of the great consuming public.

It is not difficult to imagine the relative increase in consumption in many classes of goods if the present purchasing power of the average consumer were increased 10 per cent., nor is it hard to visualize the new wants and, therefore, the new opportunities for production that would spring up under such conditions. Increasing the power to buy means larger sales of goods to satisfy present wants, also a larger variety of wants than now prevails. Elimination of waste in industry creates greater purchasing power.

Another instance of the value of fruit production in Alberta is reported by Carlyle Litchfield who planted a quarter of an acre to strawberries, from which he netted $222.35.

Customer Ownership is Inherently Sound

By JAMES B. WOOTAN, in the Public Service Magazine.

It is doubtful if any innovation ever adopted by the public service industries brought with it more fears and doubts, more questions and suspicions on the part of the leaders of the industries, themselves, than did "customer ownership," of the popular distribution of certain securities of the operating companies.

It is doubtful if fewer such fears and questions concerning any innovation were ever realized.

There were those who saw the soundness and the permanence of character of customer ownership from the first. But many did not. It is but fair to say that some of the biggest men in the industries could see in this system of making shareholding partners of employees and patrons little more than a temporary expedient, and but a relative few recognized in it a permanent policy, far wider in mutual advantage to company and community than appeared to any at the outset.

View as a Passing Fancy

The writer recalls that as late as the spring of 1918, four years after its advent, one of the keenest men, the operating head of one of the largest public service companies, replied with some impatience to the suggestion that he take up customer ownership:

"No; there's nothing to it. It's a passing fancy. We are not going into it."

It was suggested that, instead of being a passing fancy, it would one day be the common practice of the industries, not only an accepted means of raising much of the new capital for public service, but also a leveling influence in the making and maintaining of sound public relations.

It is enough to say that the companies represented by this official have for several years been making as complete success of this system of stock distribution as any company has ever made.

Indeed Test of Credulity

The retrospect is of interest only as indicating the inherent soundness of this system. It was the open sesame to an era in the life of public service. It was the partition wall between two wholly different days. Back of 1914 lay a long, sinuous line of melancholy and, in many cases, tragic experiences for the public utility. If it were profitable to reassess the faults, they might be found on both sides. But in any event, it was a test of credulity to believe that here, overnight as it were, had been discovered, scarcely evolved, a solvent for problems which so long had perplexed keen minds and threatened industries. It was too much to expect that the mere selling of stock to such people in the community as might be persuaded to buy it could possibly remedy ills and allay feelings and meet difficulties which time had aged and estrangements deepened. Practical minds which had up to then given no serious attention to the matter could not be expected to accept the theory without much hesitation.

No Peril Has Come to Pass

But none of the fears, we say, have materialized. The people have not seen in customer ownership a cheap, ulterior motive on the part of the companies to sneak in under cover and steal away friendship they could not openly win. There has been no fatal difficulty because of the fluctuation of stock values. (This is a bugaboo which still scares many steam railroads away from customer ownership.) The fear of alienating friendly banks by taking from them many of their savings deposits dissolved itself in the early development of vast fields of new investors and depositors into which any institution of merit might come and get its share of new business. But if the thing goes, it will be a case of "on again, off again," for you won't need so much refinancing in time. This question was soon answered in the phenomenal development of the ever-increasing demand for the services of these industries. Who could even then foresee what gas or electricity or the telephone was coming to within just a few years?

Fundamental Soundness of Plan

The fact that not one of the serious questions raised against customer ownership proved unanswerable or insoluble is the best evidence of the fundamental soundness of the system. But by no means should this be taken as indicating that there are no problems involved in the system. There are, plenty of them. There have been all the way along plenty of possible pitfalls, but they have thus far been avoided by a business acumen of the highest type. Here is a development on which the concentrated mind of these great basic industries has been fixed in the obvious determination to entrench a system or refinancing and public relations whose very genius is the kernel of the whole business of public service—mutal interest.

Now Is Here to Stay

That's why the thing stands up. It is inherently right, fundamentally sound. It is, therefore, here to stay.

And when all of that is said, it will continue to be necessary for the men in charge of the great service companies of this country to be constantly on their guard against any evil influence or possible weakness affecting customer ownership, either from within or without. It won't do to take anything for granted.

The one saving grace of the whole thing is that it is an out-in-the-open proposition. Customer ownership has done much to help make plain the industries' plea that they are concerned first of all with public service. Customer ownership has exposed to public scrutiny, as few things could, details of the relationships existing between company and community. It has brought managements out in the open more than they ever were before. It has made public stockholders' meetings a rather ordinary thing. It has really instilled in the minds of the people a sense of proprietorship in the companies whose securities they hold.

That brings the thing down to bedrock. What is the function of the public service company To serve the community. Its service to be acceptable, must be adequate.

What is adequate service in the case of a gas, telephone, electric light and power or water or street railway company? All the service the people need all the time, when they need it. That means more even than service that equals present demands. It means the capacity of service that equals present demands plus the ever-expanding demands. It means this, that these industries are basic. They must grow ahead of the communities that depend upon them, or the communities' growth will not proceed as it should. These industries are the leaders of the procession. The leader leads by always keeping a step ahead of the rest of the procession.

But there is another side to this. Before a community may expect adequate service from a company the community must do something on its part. It must see to it that the company always is encouraged to charge an adequate price for its service. It has always been necessary to keep reiterating this central truth and probably it will always be necessary, but customer ownership, so called, the system by which so many of the people are brought into co-partnership with the company, helps make clear the reasoning of the thing. It, therefore, finally helps the people first and last, helps them in their homes and their industries, all of which are vitally dependent on ample, adequate public service, such as only these companies have to render.

Deals Demagogue a Blow

In the wake of this great development has come a gradual disillusionment of the old idea that he was the best public official, **friend of the people**, who kept up the loudest cry against the public utility, who harped most on holding it down to a starvation rate. Now the people see with ever-increasing clarity that a company held down to a starvation rate is no good for them, that a starved public utility cannot meet their demands for adequate service, any more than a starved horse can carry a heavy load.

So in the end this type of clap-trap politician, the demagogue, is less in vogue than once he was, at least in this one field of exploitation. Which, in itself, is no mean gain for the people, albeit let us not indulge the vain hope that we shall ever really be rid of demagogy until we come to our political millennium.

SHARES OF ASBESTOS DISCOUNT SITUATION

Efforts Again Begun to Align Keashey and Mattison

From Our Own Correspondent.

MONTREAL.—The price of the common shares of the Asbestos Corporation has advanced sharply due to the fact that preliminary negotiations are understood to be underway leading to a closer co-operation between the company and the independent producers of the fibre in the province of Quebec. The corporation is doing a satisfactory business this year, but there seems no doubt that a closer association with the owners of the Bell Asbestos mine would ultimately benefit the corporation.

The Bell Asbestos mine, at Thetford Mines, P.Q., is owned and operated by Keasbey and Mattison, a United States firm, which manufactures as well as mines the mineral. At the time of the merger of the asbestos companies into the new Asbestos Corporation, it was understood that the surplus production of the Bell mine would not be increased nor dumped on the market. In fact an agreement along these lines was signed.

But the Asbestos Corporation and the Keasbey and Mattison interests are not in accord and the Canadian corporation has taken legal action against the United States interests. But the litigation is in abeyance until the autumn.

Pourparlers Have Begun

In the meantime, it is understood that efforts are being initiated which would lead to more harmonious relations between the corporation and its neighboring producer.

Viewed from a stock market angle, it is to be remembered that these pourparlers are not in more than their initial stages and it is exceedingly problematical whether or not any new constructive developments will take place in the immediate future. The stock market seems to have already more than discounted the effect of this new factor in the situation.

In the meantime the Asbestos Corporation is making satisfactory progress. Even if it loses its case against Keasbey and Mattison next autumn, its position will not be impaired in any way. Should the decision of the courts go to the corporation, it would mean that all the asbestos producers in the province of Quebec would operate in complete accord regarding volume of production and several other matters.

Should the industry attain this position, it would prove the more satisfactory to the shareholders of the Asbestos Corporation, as some 85 per cent. of the world's asbestos requirements are filled by the mines of Quebec.

Yarmouth Power Company Bought by U.S. Group

J. J. White & Company, who control a number of electrical developments in the United States and Canada, have acquired by a purchase of stock the control of the Yarmouth Light and Power Company. The new interests intend to enlarge the local supply of power.

The chief Yarmouth industry is the plant of Cosmos Imperial Mills.

Hugh Guthrie Seeks Conservative Leadership as Wooer of Prairies, But Bennett's Claims Are Strong

Temporary Head Once Was Liberal and is Protectionist — Western Lawyer May be Considered Far Too Rich to Retain His Popularity — Claims of Each Are Discussed by Writer with Knowledge of Both Men and Conditions

By J. A. STEVENSON.

The policy of interpreting the result of the last general election in Quebec as a final rebuff of which repetition should not be courted and of concentrating upon a policy which could win the prairie provinces, has many advocates in the Conservative camp, but no leading party chieftain has given it such outspoken and persistent support as Hugh Guthrie, who served last session as parliamentary leader of the Conservative party.

In several speeches Mr. Guthrie has proclaimed his belief that such is the only profitable course open to the Conservative party and for his advocacy of it he has drawn upon himself the severe rebukes of the Montreal Gazette and the French Conservative press. It may therefore be taken for granted that Mr. Guthrie can count upon no support from the Quebec delegates and must be ruled out of the running if a fresh attempt is to be made to win the French-Canadian voters. But on the other hand, if his advice is to be accepted, his claims will merit consideration and it is plain that he would not have been elected temporary leader of the Opposition if he had not commanded a substantial following among the Conservative members of Parliament.

Is Real Oldtimer

Mr. Guthrie, having entered the House of Commons in 1900, ranks next to Speaker Lemieux in point of parliamentary seniority and his long and unbroken experience at Ottawa has made him a master of all the arts of the parliamentary game. Endowed with a strikingly handsome presence, he is exceedingly effective as a platform speaker and is also an excellent debater on the floor of parliament; he is moreover well versed in parliamentary procedure and tactics and is a good constitutional lawyer. Last session he performed the difficult task of leading a somewhat disheartened opposition with credit and dignity and his only major error was his failure to insist upon a proper discussion of the estimates which were being rushed through in millions in the closing hours of the session. The loyalty, which his own constituency of South Wellington has shown to him despite his change of party allegiance is eloquent testimony of his popularity among the people who know him best and he has many admirers throughout Ontario. But it is just his change of allegiance that is his worst handicap, for he was born and bred a Liberal and, until the conscription controversy loomed up, was one of Laurier's chief lieutenants. Now there are many Conservatives who will insist that the leadership must not be entrusted to any one who lacks a pure Conservative pedigree. This sentiment will weaken Mr. Guthrie's chances.

Mr. Guthrie has given some hints of the sorts of policy which he believes could win the West, but only in very general terms. In his Liberal days he was always a strong protectionist, but he now realizes that a courtship of the West would demand a severe modification of the Conservative party's attitude upon the tariff. He does not suggest its total abolition, by any means, but he seems to think that, if adjustments were made, the West could be induced to accept a moderate tariff by some largesee in the way of freight rate concessions. He has never been an enthusiast about public ownership, but he has never regarded it as unutterable folly. He is an enthusiastic supporter of the St. Lawrence Waterway scheme and it is an open secret that he would have liked to see the Conservative party officially sponsor it before this. In the matter of Imperial relations, he is ardently for the maintenance of the British connection, but he has shown little interest in present policies of Imperial co-operation.

Mr. Bennett's Claims

R. B. Bennett has the advantage over Mr. Guthrie of being the possessor of an unblemished Conservative pedigree and his varied gifts and assets make his claims to the leadership very stronge. In point of intellectual equipment Mr. Bennett has no superior in the present parliament; not only has he had thirty years practical experience of public life, but he has been an assiduous student of politics and state craft and his a wider purview of Imperial and international affairs than any of his contemporaries. His varied background is also much in his favor. A native of New Brunswick, he has for years been the leader of the Alberta bar and a prominent politician in the West and now in the last decade he has been a captain of industry and an influential power in financial circles in the East. He is an experienced and skilful parliamentarian and no one can drive home an attack with such earnest and effective force. It will be charged against him that he is too rich a man to be a popular leader and that he will be dominated by corporation influences. It is a short-sighted view. A man of Mr. Bennett's wealth can afford to resist the pressure of powerful influences which a politician dependent upon office for his living, would hesitate to offend and the proposals which Mr. Bennett made in the budget debate last session did not indicate any subservience to "big business" intersts. Moreover, leaders of the wheat pool movement will testify that he gave them very valuable help when they were starting their organization in 1923.

Is an Imperialist

One thing is certain that Mr. Bennett will not undertake the leadership of the Conservative party unless it definitely commits itself to a wholehearted policy of imperial co-operation. For him imperialism is a real faith, the British Empire a wholly beneficient instrument of civilization and its preservation as a united political society an imperative need. He has an acute dislike of the nationalist tendencies which have made such headway in recent years and would like to repair the cleavages which they have brought, by a unifying process.

As a leader he would apply considerable ingenuity and skill to devising policies which would foster inter-imperial trade and promote the transplanting of Britain's surplus population to our shores. He has always been a protectionist but he has repeatedly warned his brother industrialists that they must consider other interests and he would not be a rigid defender of the present tariff system if it came into conflict with the evolution of a policy of imperial co-operation. In regard to transportation policies, he would probably favor a consolidation of the C. P. R. and C. N. R. under the sort of partnership plan embodied in the famous Shaughnessy scheme and he would regard the St. Lawrence Waterways as a matter of secondary importance.

Mr. Bennett lacks some of the qualities which make for general popularity, but he has the temper of the statesman and, if he could win his way to power he would make an excellent premier. He commands the confidence of the leaders of the financial and industrial world and they would accept at his hands reforms and changes which, if suggested by others, they might bitterly oppose. His selection as leader would infuse considerable life and vigor into the policies and strategy of the Conservative party and at present nothing is so badly needed for the country's sake.

TWO MORE JOIN ARMY OF BROOKS' FORMER HELPERS

Dr. Atkinson, Wilkinson Quit; Wegenast Sues Steam Motor Co.

Brooks Securities, Ltd., O. J. Brooks' stock selling organization, is now without the services of Dr. S. H. Atkinson and A. C. Wilkinson, the latter formerly a director of Brooks Steam Motors.

There is a new personnel in the spacious offices of Brooks Securities on the eighteenth floor of the Metropolitan building, Toronto. There is no great evidence of activity in the office from which millions of dollars of stock in Brooks Steam Motors has been sold in the last four years in the nine provinces of Canada, but it is said that a new company, known as Fidelity Trust Co., has been organized to finance the time sale of automobiles and other goods marketed on the instalment plan. O. J. Brooks has been talking of such a company for several months. A new sales force, apparently, is being organized.

Why He Resigns

According to a statement which has appeared in daily newspapers, Dr. Atkinson has resigned as publicity director of Brooks' sales organization because he (the doctor) does not approve of the organization of an American motor company until Canadian company has been placed on a production basis. The existing troubles between Brooks and a group of his shareholders was precipitated by revelation of Brooks' activities at Buffalo. These shareholders are afraid that assets of the Canadian company would be transferred to the Buffalo company without adequate compensation.

At the first annual meeting of the company held this year in Stratford, Dr. Atkinson was a member of the audience. He was one of the cheer and applause leaders in behalf of Brooks, it appeared to an observer on the sidelines. Wilkinson was conspicuous for his reading, in a very hoarse voice, the company's answers to questions put in the financial section of a weekly magazine.

Wegenast Claims Damages

Dr. Atkinson has made no announcement of his plans. He has had a varied career. He is said to be a former minister and a former believer in the doctrines of Karl Marx. He was a lieutenant of a labor leader who conducted a street-railway strike in Buffalo about fifteen years ago and who later attempted to organize a union of department-store employees.

F. W. Wegenast, counsel for the dissenting shareholders' committee, has entered suit for libel against Brooks Steam Motors and Brooks personally and the directors of the company. Mr. Wegenast claims $50,000 in damages as a result of statements made in a Brooks letter to shareholders of Brooks Steam Motors.

FOREIGN EXCHANGE

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
Aug. 11	1-16	1-32	5-32	11-64
Aug. 12	3-64	1-32	5-32	11-64
Aug. 13	1-32	1-32	5-32	3-16
Aug. 15	3-64	1-64	5-32	5-32
Aug. 16	5-64	1-16	5-32	1-8
Aug. 17	1-16	3-64	9-64	5-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Aug. 11	4.85⅝	3.91½	5.43¾
Aug. 12	4.85⅝	3.91½	5.44
Aug. 13	4.85	3.91½	5.44
Aug. 15	4.85¾	3.91½	5.44
Aug. 16	4.85	3.91¾	5.44¼
Aug. 17	4.85¾	3.91	5.44¼

FOREIGN EXCHANGE

Par		Aug. 10	Aug. 17
13.90	Italian	5.45	5.45
32.45	Brazilian	11.84	11.85
23.82	German	23.78	23.80
19.30	Belgian	13.92	13.93
84.85	Japan	47.45	47.40

Letters to the Editor

SEEMED TRUE, THEN

Editor, Financial Post:—An editorial in your issue of August 12, quoted in part the following sentence from the last number of the Canadian Historical Review, and commented caustically on the fact that the Review seemed ignorant of the recently discovered mineral wealth of northern Canada:

"It was a stroke of genius which led both men to realize that while to the north and northwest of Lake Superior there lies only a continuation of that endless, dreary waste which forms the dead heart of the eastern half of Canada, to the south of Lake Michigan there is a land of far greater possibilities."

The extract was not, as your editorial asserts, taken from an article, but from a signed review by a well known Canadian economist, at present on the staff of Queen's University. The sentence was, in fact, a quotation from the volume under review. The book dealt solely with the period of the French occupation of Canada in the seventeenth and eighteenth centuries, and the men to whom the Mississippi valley appeared to be a land of "greater possibilities" were Frontenac and La Salle. From their point of view this opinion was undoubtedly correct. It was not indeed until the twentieth century, as the reviewer suggests in the same paragraph, that any striking modification of their judgment became necessary.

The Canadian Historical Review is in sympathy with The Financial Post's desire to dispel false notions regarding the value of northern Canada's resources. Your editorial was scarcely fair, however, in representing the above sentence as a kind of pronouncement regarding the present importance of the pre-Cambrian shield by a publication of the University of Toronto. By lifting part of a sentence from its context The Financial Post made it appear, in fact, that greater ignorance prevails in Canada on the subject than is actually the case. Wide publicity given such an impression can do little to correct the misconceptions which The Financial Post so much regrets.

GEORGE W. BROWN,
Associate Editor.

Toronto, Aug. 17th.

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Dividend No. 231

Notice is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of Sept. 15th, 1927, and that the same will be payable on and after Saturday, the first day of October next, at any of the offices of the Bank in Canada.

By order of the Board.

J. A. McLEOD,
General Manager.

Halifax, N.S., August 16th, 1927.

DIVIDEND NUMBER 166

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 2% on the outstanding Capital Stock of the Company has been declared payable on the 9th day of September, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 24th day of August, 1927.

Dated the 17th day of August, 1927.

I. McIVOR,
Assistant-Treasurer.

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Dividend No. 16

A DIVIDEND of One and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the OTTAWA AND HULL POWER COMPANY, LIMITED, for the quarter ending August 31st, 1927, payable September 15th, 1927, to shareholders of record August 31st, 1927.

By order of the Board.

L. C. HASKELL, *Secretary.*

July 21st, 1927.

Experienced stenographer wishes permanent position, secretarial work or financial office preferred. Eight years last position. Can start immediately. Box 100, The Financial Post, Toronto, Ont.

Mexico Tramways Company

GENERAL CONSOLIDATED FIRST MORTGAGE 50-YEAR 5% GOLD BONDS

Notice is hereby given that on and after 1st Sept., 1927, Coupon No. 29, dated 1st March, 1921, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the agency of the Bank of Montreal, New York, at the holder's option.

Dated at Toronto this 15th day of August, 1927.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

Belgo Canadian Paper Company, Limited

Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending September 30th, 1927:—

Dividend No. 17 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the first day of October, 1927, to shareholders of record of the 2nd day of September, 1927.

Dividend No. 12 on the common stock: One and a half per cent. (1½%) payable on the tenth day of October, 1927, to shareholders of record of the 30th of September, 1927.

By order of the Board.

G. WILFRED HODGSON,
Secretary-Treasurer.

Montreal, August 8th, 1927.

Canada Northern Adds 20,000 H.P

From Our Own Correspondent.

MONTREAL. — The Canada Northern Power Corporation is doubling the capacity of its Quinze power plant. Work has begun on the addition to the power house and the concrete is now being poured. At present the site develops 20,000 horsepower from two 10,000 horsepower machines. Two more 10,000 horsepower generators are being added. The work will be completed by next spring and the machinery and electrical equipment will be taken to the plant over the ice this coming winter. The continued growth in the demand for power in the Rouyn territory coupled with the prospective load of the company in other areas is such as to warrant the extensions to the property.

The Canada Northern Power Corporation controls most of the shares of the Northern Canada Power, the Northern Ontario Light and Power Company, the Porcupine Power and Telephone Company and the Great Northern Power Corporation. More and more are the operations of these subsidiaries being consolidated into one system which now serves the entire precious metal mining areas of north-eastern Ontario and north-western Quebec. The continued growth of the mining industry has brought about the need for an additional supply of power.

The honey harvest of Southern Alberta is expected to run to 300 tons, worth about $100,000.

The Union Abattoir Co. of Winnipeg has opened up a new abattoir at Fort William.

Sale of Pulpwood Timber

Tenders will be received by the undersigned up to and including Tuesday, the 6th of September next, for the right to cut the spruce and poplar pulpwood on Lots 7 to 18 inclusive, Concessions 1 to 4 inclusive, Township of Kendrey, District of Cochrane.

Further particulars may be obtained upon application to the undersigned or to Mr. D. J. Spence, Crown Timber Agent, Cochrane.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

Toronto, August 10th, 1927.

DIVIDEND No. 10

The Keeley Silver Mines, Limited

(No Personal Liability)

Notice is hereby given that the regular half-yearly dividend of 8% has been declared payable on Sept. 15th, 1927, to shareholders of record at the close of business Sept. 1st, 1927. The transfer books of the Company will be closed from Sept. 2nd to 15th, both dates inclusive.

By order of the Board.

R. S. DENING,
Secretary.

Toronto, Aug. 12, 1927.

Cosgrave Export Brewery Company Ltd.

Dividend No. 19

Notice is hereby given that a dividend of 1¼% (being at the rate of 5%, per annum) has been declared payable Sept. 15th to shareholders of record as at August 31st.

By order of the Board.

JAMES F. COSGRAVE,
General Manager.

Dated Toronto, Aug. 15, 1927.

NOTICE

Port Alfred Pulp & Paper Corporation

Notice is hereby given that a quarterly dividend of 1¾% (being at the rate of 7% per annum) on the 7% Cumulative Preferred Stock of this Corporation, for the quarter ending Sept. 15th, 1927, will be payable on that date to shareholders of record Sept. 1st, 1927.

By order of the Board.

A. WAGNER,
Secretary.

Montreal, August 15th, 1927.

THE SHAW SCHOOL COURSES

in Municipal Accounting, Economics, Exporting, Banking and Higher Accounting for Degrees by Home Study Plans are engaging the spare time of many wide-awake young Canadians. Particulars cheerfully supplied. Inquiry solicited. Write W. S. Ferguson, C.A., Chief Director, Dept. P, Bay and Bloor Streets, Toronto.

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BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 30th July, 1927.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 19th July, 1927.

Canadian Pacific Railway Company

Issue of New Ordinary Capital Stock

Notice is hereby given that pursuant to Resolution passed at the Special General Meeting of Shareholders on 4th May, 1927, the Board of Directors have resolved to issue and offer to the Ordinary Shareholders of record at 3 p.m. on Friday, the 19th day of August, 1927, $32,500,000 of Ordinary Capital Stock, or 325,000 shares of $100 each, at the price of $150 per share, being at a premium of $50 over and above the par value thereof, on the basis of one share in eight of their respective holdings.

The right to subscribe will expire at 3 p.m. on Thursday, 29th September, 1927.

Payments will be received at the Bank of Montreal, London, New York or Montreal, as follows:—

$50 per share on subscription on or before 29th September, 1927.

$50 per share on 7th December, 1927.

$50 per share on 15th February, 1928.

Interest at the rate of six per cent. per annum will be paid in April, 1928, from the due date of each instalment to 31st March, 1928, on instalments which have been paid on or before due dates.

Shareholders may, as a matter of convenience to themselves, pay any or all of the instalments before the due dates, but no interest will be allowed on such payments previous to due dates.

All shares of the issue on which instalments have been paid in full on the due dates will rank with the existing stock for dividends payable after April 2nd, 1928.

A circular containing the terms of subscription and payment and enclosing warrants of subscription will be mailed to the Shareholders on or about the 31st day of August, 1927.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Dated at Montreal, 5th August, 1927.

The Canadian Bank of Commerce

Dividend No. 162

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1927, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1927. The transfer books will not be closed.

By order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 15th July, 1927.

Town of Cochrane Ontario

DEBENTURES FOR SALE

TENDERS will be received by the undersigned up until 8 p.m., Wednesday, August 24th, 1927, for the sale of debentures amounting to $50,000.00, the proceeds of which are required for the erection of a High School in Cochrane, Ont.

The debentures are dated September 1st, 1927, and have coupons attached bearing interest at the rate of 5% per annum, same being payable in twenty equal annual instalments of both principal and interest.

This issue is guaranteed by the Department of Education of the Province of Ontario, and legal opinion has already been furnished by our Solicitors, Long & Daly, of Toronto, Ont., and is ready for delivery Sept. 1st.

The lowest or any tender not necessarily accepted.

R. C. MORRISON,
Clerk and Treasurer.

Dated at Cochrane, Ont.,
August 9th, 1927.

Sale of Pulpwood and other Timber

Tenders will be received by the undersigned up to and including Monday, the 12th of September next, for the right to cut the pulpwood and log timber on the Townships of Alexandra and Webster, District of Cochrane.

Further particulars may be obtained upon application to the undersigned or to Mr. D. J. Spence, Crown Timber Agent, Cochrane, Ont.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

Toronto, August 10th, 1927.

United Grain Growers Limited

A dividend of eight per cent. per annum has been declared upon the paid-up capital stock of this Company, for the financial year ending August 31st, 1927. Cheques will be mailed on September 1st, 1927, to shareholders of record at the close of business on August 31st.

By order of the Board of Directors.

T. A. CRERAR,
President.

Winnipeg,
August 6th, 1927.

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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Hollinger Means Too Much to Allow Wrecking of Confidence

Pres. Timmins' Statement Reassuring—Mr. Brigham's Review Eagerly Awaited

MINE POSITION STRONG

Intimation Made That Rumors That Broke Market Are Part of Organized Propaganda

"There is no reason why there should be any anxiety regarding the mine."

This is Pres. N. A. Timmins terse statement in regard the position of Hollinger Consolidated Gold Mines.

Continued weakness in the price of the shares, which sold down to $16.50 but have since strengthened to $18, led many to seek out the president for a statement.

There is a good deal of nervousness abroad in regard Hollinger's position. This, as we pointed out last week, is due to rumors going the rounds in regard the rake of the ore and that these rumors have been accompanied by a declining market for the shares.

What aggravated matters is that these rumors have circulated for some time with no effort on the part of the company to counteract them.

Mr. Timmins short statement, made this week, is reassuring. But it is not enough. He seemingly realizes this, as he has added that he was leaving it to Mr. Brigham, the general manager, to make a technical report on the subject. He added that while the grade of ore being handled was a little lower, as was to be expected, the lower levels were responding satisfactorily to the work being done.

Mr. Brigham's statement will be awaited with considerable eagerness on the part of shareholders.

No Further Information

The Financial Post, endeavored to secure such a statement and wired Mr. Brigham. Rather unexpectedly the answer came from Mr. Timmins. It was evident that Mr. Brigham relayed the wire from the mine to Montreal. **Mr. Timmins' answer was that it would** have been much more appropriate to have asked for it before publishing the misleading article of the 12th inst.

The Financial Post has repeatedly called at Mr. Timmins' office to secure a statement on Hollinger's position and called twice this week. Mr. Timmins while entirely courteous would add nothing to his previous short statement.

The Financial Post has always believed in Hollinger and sees no reason to modify that belief in the slightest. The Post just wants to get the facts. Its readers number a large number of Hollinger shareholders. So far we have been unable to satiate the demand for some facts in regard the position of the operation.

Shares May Fluctuate

Last week, it was pointed out, that we did not think there was anything wrong with the mine. As for the company, it is believed that other elements over which Mr. Timmins and Mr. Brigham have no control, have entered to make the market situation more speculative than heretofore. It has been intimated to The Post that it may be found that in future there would be a more speculative bent to the Hollinger shares and that fluctuations, something like those in McIntyre shares might be looked for.

This is not the policy of Mr. Timmins or Mr. Brigham. They are for the shareholders. Since Hollinger entered the ranks of the dividend payers, the present break in the shares is really the first serious unexplained reaction that has taken place. There were others, but the reason was quite discernible. The war and later the power situation were two of them.

Market Always Strong

Otherwise the market for Hollinger shares has always been steady. There were slight market reactions, but only the expected. But when a break of six dollars per share comes, and there is no explanation, and shareholders who have come to regard the stock as par excellence in the way of security, find their banker calling them for more collateral, because of the weakened position of their Hollinger shares, then

(Continued on page 19)

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& Company
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Toronto
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What Press Has Been Saying About the Break in Hollinger

Last week The Financial Post commented at length on the Hollinger situation, dealing particularly with the lack of official information. Many other papers have taken the matter up since. This and a further break in the price of shares has further focused attention on the issue. Some of the comment follows:

(Toronto Globe, Aug. 9)

Hollinger's break to a new low for the year at $16.50 was the most disturbing feature of recent trading in Canadian mining stocks. All sorts of rumors have been in circulation recently respecting Hollinger's mine and market situation. N. A. Timmins, President of Hollinger Consolidated, gave the following statement to The Globe: "Reports of unfavorable developments at lower depths of Hollinger are incorrect. There is no change in the physical condition of the mine. Due to the extensive working the grade of ore must of necessity have temporary variations."

There has undoubtedly been an absence of authentic information concerning the Hollinger situation. Stories have been in circulation that mill heads are much lower. As a matter of fact, the management had anticipated this and are able to effect operating economies to an extent sufficient to offset the lower millheads. It is quite obvious that average content of the ore may be expected to drop when a bigger tonnage is going to the mill. There have also been stories that the pool controlling the majority stock has been broken. It is known that there has been some selling by the McMartin estate, but this is not regarded as a serious market factor.

Hollinger is regarded as the undisputed market leader owing to its position of pre-eminence among the gold mines of the western hemisphere. Any stories about the physical condition of Hollinger being such as to cause concern are altogether absurd. Hollinger will be the envy of all other gold mining companies in the world for many years to come according to present expectations. It is still a young mine and has a long way to go before reaching its zenith.

Hollinger's interests in Kamiskotia are regarded as being important. Officials of the company have refrained from making a statement regarding the Kamiskotia holdings until work has progressed further. There seems every reason to be encouraged in connection with the situation there. Mr. Timmins' statement published above and his optimistic remarks concerning the entire situation may be regarded as a positive refutation of the rumors that have caused unrest.

(Toronto Telegram, Aug. 12)

Accustomed as they have been to regard Hollinger as the yard stick of mining investment, conservative holders of this stock are commencing to lose their faith, according to inquiries which are received daily. Certainly the situation is one which the conservative mining investor who looked at Hollinger as an attractive speculative investment at a price around $22 can scarcely be expected to regard now with a great degree of equanimity.

Critical as the situation may be for the mining investment public to no less degree is it reflected in an undercurrent of anxiety in business circles of the Porcupine Camp. Paradoxically it is here in the immediate vicinity of the mine that the most diversified opinions occur, official silence seems thickest and the most fantastic rumors spring up daily. **Due to the official silence,** and the unreliable nature of the rumors that find their way to surface comment on the Hollinger underground situation requires considerable care and opinions expressed must be based on information obtained from the nearest possible reliable sources.

For this reason mining men, managers of neighboring properties, and engineers who are closely in touch with the mining situation generally hesitate to discuss the Hollinger situation as applied to the mine itself. From conversation with a number of well informed practical operators, however, the impression has been gathered that the decline in the public's appreciation of Hollinger has not been wholly unexpected. **Silence of the Hollinger management on the subject of current production as well as the date** on which it is expected the increase to 8,000 tons is to go into effect is regarded as due to the fact that there is little to announce apart from what the public has already learned in unofficial ways. The last official announcement of Hollinger predicted a tonnage of 7,000 daily before the end of this year. At the present time the daily average is understood to be somewhat less than 7,000 tons, so that observers are keenly interested now in seeing how fast this will be fulfilled. As for the ultimate objective of 8,000 tons which has given mining writers volumes of material for several years some successful operators have informed your correspondent frankly that this tonnage is a dream which they do not anticipate Hollinger for sound economic reasons will even attempt to achieve.

(Mail and Empire, Aug. 16)

The slump appears to be due to several reasons. The more serious of these is a growing belief that the mineralization at depth is following the 55 degree rake of the porphyry formation toward the east. This would have the effect of shortening the zone of Hollinger mineralization. This factor, no matter how apparent at present, is not an immediate factor in that it would not cause a tonnage pinch for a good many years, yet from an investment point of view would cause careful observers to discount the future far in advance. That is probably the more vital factor contributing to the present decline.

Your correspondent has sought out an opportunity to investigate this situation at the mine, but so far the requisite official sanction has not been secured—hence the continued uncertainty.

Another factor heard on the Street is reference to liquidation of an estate. Another is mention that a pool has been discontinued. This so-called pool is understood to have been an arrangement between some of the heavier shareholders that in event of one or another wishing to sell shares, or liquidate an estate, the remaining shareholders should be given an opportunity to buy them and keep them off the market.

One very great lesson appears to have been learned, namely, that the public has a distaste for mystery. As long as Hollinger dealt frankly with the public, there was the highest possible degree of confidence—confidence which mere rumors could not shake. However, once the attitude of reticence developed, the public opinion commenced to veer.

One thing appears to be certain in the business of mining, and that is that no matter how great may be the achievements of any organization, yet even in days of prosperity a friendly and frank attitude toward the public is quite as essential as in the days of beginning. Hollinger was not averse to publicity in the old days of development, and there is a strong belief that had the effort not developed to stand aloof or superior to general public interest the present market situation might never have taken place.

While the grade of ore during the past few months has been running lower than formerly, yet an increase in tonnage has been maintaining profits. The company is extremely strong financially, has exceptionally large ore reserves, and enjoys management which is quite as efficient as any mining organization in existence at this time.

As long as any doubt remains about the mineralization being over as great a length as say 3,000 feet as it is at say 1,000, there would appear to be continuation of market uncertainty. The question is one which could quickly be answered by directors, and is one which many observers are anxious to ascertain.

Pres. N. A. Timmins' Public Statement

MONTREAL, Aug. 15.—"There is no reason why there should be any anxiety regarding the mine," said N. A. Timmins, when asked if there has been any new development to account for the weakness in the shares of the Hollinger company. Mr. Timmins said that he was leaving it for Mr. Brigham to make a technical report on the subject, but that he could say that while the grade is a little lower, as was to be expected, the lower levels are responding satisfactorily to the work being done.

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Heavy Nickel Buying on Montreal Market

Accumulation of International Nickel goes merrily on. The price is holding firm. The surprising thing is that so much stock is coming out at these levels and one wonders where it is coming from. Indications are that some of the buying power that put the shares to the high of 75 in June is again coming into the market. The great bulk of this was from Montreal and Montreal transactions in the shares of late, have mounted steadily.

Look For Important News From Lake Shore Board

Lake Shore directors are scheduled to meet the end of this week, and it is rumored that there may be some important news to follow. This may have to do with the increase in the mill, which The Post recently announced would take place.

The shares have moved up $2 this week to a new high of $22.50 and are showing great strength.

Victoria Syndicate Puts in Another B.C. Mill

Victoria Syndicate, manager in British Columbia, R. H. Stewart, will put a 75-ton mill on the Paradise mine, which it is working under lease from Hon. R. R. Bruce. Paradise mine has long been known as a rich producer. It was located first many years ago, and has been mined to the stage where a considerable amount of machinery was necessary to warrant further development. The Victoria Syndicate has been developing the mine for some time, and that a mill is proposed indicates that the mine still has possibilities.

HOWEY VEIN NOW OPENED FOR 1,715 FEET ON SURFACE

Free Gold Found in Trenches Extending the Surface Exposures

SINKING PROCEEDING

Manager Young Outlines What Has Been Accomplished on the Property

Howey Gold Mines has extended the known length of its vein on surface by surface exploration to 1715-ft. This has been done by trenching and in most of the trenches free gold has been found.

The Financial Post is in receipt of an excellent official resume of work accomplished to date on the property from Manager Horace Young. He outlines what is being accomplished in sinking and on surface. Much importance attaches to his statement in regard the finding of the vein extension on surface. His progress report follows:

At the present time the shaft is 300 ft. deep with two stations cut at the 125 and 250 ft. levels, and one sump at the latter level. The program being to sink to 500 ft. level and cut stations every 125 ft., and on completion drive on the vein structure, and open up four levels simultaneously.

Plant consists of 2, 60 h.p. locomotive type boilers one 825 cu. ft. per minute cross-compound Rand steam compressor, a 8¼ x 10 hoist, drill sharpener, etc. The whole plant being carefully laid out and installed with the object of maximum efficiency, and speedy economic development of the property. The fuel consumption to date has not exceeded three cords for 24 hours continuous operation, and the cost of sinking a three compartment shaft in this locality has not exceeded $85.00 per foot.

Surface exploration has been carried on with a gang of about fifteen men, and so far has been very successful. Deep trenches have been put down over the vein structure going to the east, with the result that the vein has been picked up in this direction for an additional 780 ft. making a total length now exposed on surface of 1,715 ft. In most of the trenches free gold has been found in a good width of vein structure in porphyry, and at the present time rock trenches are being blasted out preparatory to sampling.

All construction has been completed for the comfortable housing of seventy-five employees. One thousand cords of wood was delivered on the snow for fuel purposes during the summer, and 125 acres of ground was cleared for fire protection.

MINING PAY ROLL OF MANITOBA NOW OVER $36,000 MONTH

Chamber of Mines Believes Industry Will Settle Seasonal Employment Situation

To indicate the growth of mining in Manitoba, the Chamber of Mines of the province has adopted a rather graphic method, pay roll figures. It has been quite a task to interest Winnipeg people in mining development. If any thing will do it, figures on buying power should. The report shows that the monthly pay roll is now $36,359 an increase of 75 per cent. in nine months. The report:

In order that a check might be made on the progress of mining in the province, a preliminary estimate of the mining pay roll was made during September, 1926. This proved to be approximately $20,800 per month. From a statement recently compiled from records supplied by the mining companies, the pay roll at present averages $36,359 per month, or an increase of approximately 75 per cent. in the nine months period.

In visualising the future of mining in Manitoba, it is well to look back over the history of the industry in Ontario, whose operations in the same pre-Cambrian area that stretches across Manitoba, has resulted in the increase of her gold output in fourteen years, from $47,000 to $30,000,000, and according to official returns the mining industry in that province expended during 1926 $84,000,000 for wages and supplies, of which $48,000,000 was for wages. Similar expansion of the mining wage roll in Manitoba, will, we believe, be one of the biggest factors in settling that contentious question on which so much has been said and written of seasonal unemployment in the western provinces.

Raise Funds to Drill Bloom Lake Holdings

It is understood that Bloom Lake Consolidated Mines has been meeting with fair success in its new financing plan, and it is likely that some move will be made to carry out the diamond drilling program, which was mapped out by Horace Strong, M.E. The company has large holdings on Bloom Lake that are considered to be quite attractive from a silver mining point of view. There are innumerable veins, all showing native silver and it is a question of where to start operations. The drilling is proposed as a solution of this.

Important Technical Subjects Will be Discussed by Mining Leaders of World Next Week

Leaders to Big Mining Congress

South Africa and Great Britain are sending some important men to the mining congress in Canada, starting next week. Sir Robert Horne, Sir Thos. Holland and Sir Richard Redmayne, R.A.S., head the list from England, and Hon. F. W. Beyers, minister of mines, leads the South Africa delegation.

Leading delegates, a great many of them bringing their wives and families include:

Africa

A. G. Barratt,* Benoni; R. K. Bath, Selukwe; G. J. V. Clarence,* Jo'burg; R. Craib,* Germiston; K. V. Cunliffe, Brakpan; J. Davidson, Jo'burg; G. A. Denny,* Durban; Dennison Denny,* Durban; L. L. Ellis, State Mines; Samuel Evans, Jo'burg; C. J. Gray,* Jo'burg; T. H. Harris,* Jo'burg; J. F. Kapnek, Jo'burg; B. Lightfoot, M.C., Salisbury; H. H. McNeil, Jo'burg; G. B. O. Orpen, Jo'burg; A. E. Payne,* Benoni; J. C. Phillips,* State Mines; Prof. G. H. Stanley,* Jo'burg; Thomas Stratton,* Kimberley; Miss Tredrea,* Kimberley; F. B. Wade, Tanganyika; F. Wartenweiler, Jo'burg; E. M. Weston, Jo'burg; Alpheus Williams,* Kimberley; J. A. Woodburn, Jo'burg.

Australia

E. C. Andrews, Sydney.

Canada

J. L. Agnew,* Copper Cliff; F. J. Alcock,* Ottawa; G. C. Bateman,* Toronto; J. Mackintosh Bell,* Toronto; G. E. H. Booth,* Cobalt; Winthrop Brainerd,* Montreal; R. A. Bryce,* Toronto; A. G. Burrows,* Toronto; A. F. Grant Cadenhead,* Kinkston; R. A. Elliott,* Deloro; A. L. Entwistle,* Ottawa; Jos. Errington,* Toronto; J. W. Evans,* Belleville; E. R. Faribault,* Ottawa; John Galloway,* Beinfait; Prof. G. A. Guess,* Toronto; Miss Hagar,* Montreal; George Hanson,* Ottawa; R. E. Hore,* Oakville; G. S. Hume,* Ottawa; W. A. Johnston,* Ottawa; D. E. Keeley,* Schumacher; S. F. Kelly,* Toronto; S. F. Kirkpatrick,* Ottawa; F. E. Lathe,* Ottawa; B. R. MacKay,* Ottawa; Geo. C. Mackenzie,* Montreal; Wyatt Malcolm,* Ottawa; H. Mortimer-Lamb,* Vancouver; Balmer Neilly,* Toronto Major G. G. Ommanney,* Montreal; C. Price-Green,* Montreal; J. A. Reid,* Toronto; Major G. C. Riley,* Montreal; Prof. A. Stansfield,* Montreal; R. E. Stavert,* Montreal; T. L. Tanton,* Ottawa; Ellis Thomson,* Toronto; M. E. Wilson,* Ottawa; C. T. Young,* Toronto.

Federated Malay States

Cecil Pearse, Perak.

France

Charles Jambon, Paris.

Great Britain

W. T. Anderson, C.B.E.,* Purley; W. E. Ann,* Rotherham; Prof. C. O. Bannister,* Liverpool; R. L. Paterson Bell,* Coatbridge; Henry Birkbeck,* London; William Blane, C.B.E., Andover; F. J. Bostock,* Leeds; T. Boyes,* Carluke; D. H. Currer Briggs,* Leeds; L. J. Browning,* London; J. M. Cairns,* Hastings; Capt. W. Cochran-Carr, Newcastle; Peter Cochran-Carr,* Newcastle; Alexander Comley, Stourbridge; Mrs. A. Comley, Stourbridge; J. H. Cordner-James, London; J. C. Crawshaw,* Leeds; P. M. Dearle,* London; H. S. Denny, C.B.E.,* London; The Misses (2) Denny,* London; Edward Edwards,* Cardiff; H. C. Else,* Sheffield; — Emery,* London; H. J. Fisher, Birmingham; Norman Forest, Wolverhampton; A. J. Fordike,* Sheffield; Kenneth Fraser, Leeds; T. J. Fryer, Sheffield; T. C. Futers,* Whitley Bay; Miss Futers,* Whitley Bay; Joseph Gill,* Normanton; L. Gill,* Normanton; John Graham, Durham; N. G. Hackney,* London; C. N. Hague,* Rotherham; James Hamilton,* Rosewell; Prof. D. Hanson,* Birmingham; Douglas Hay, Sheffield; Herbert Hirst, J.P., Harrogate; G. V. Hobson,* London; S. P. Hodge, Glasgow; John Hogg,* Glasgow; K. J. Holman,* London; Rt. Hon. Sir R. S. Horne,* London; A. S. Howie,* Ayr; G. E. Hoyle, London; H. R. Jenkins,* Eastbourne; G. L. Kerr,* Glasgow; E. Kugel, London; R. C. Laird,* Malvern; Col. S. W. Lane, Shrewsbury; J. G. Lawn,* London; Paul List, Barrow; Capt. D. C. Lloyd, Wolverhampton; F. A. B. Lord, London; Capt. J. F. Luckman, Birmingham; Mungo Mackay,* Edinburgh; Robert Malcolm, M.D.,* Rotherham; Maximilian Mannaberg, London; T. R. Marshall, London; Samuel Mavor,* Glasgow; C. H. McCale, Cardiff; Charles McDermid, London; John McDermid, London; Alexander McKechnie, Widnes; J. A. McWilliam,* Sheffield; Frank Merricks, C.B.E.,* London; Neil Metcalf, Manchester; Samuel Michelson, Stamford; J. A. Miles,* London; John Minniken,* Rotherham; Gilbert Morrison,* Portobello; Arthur Mort, High Wycombe; Prof. K. N. Moss, O.B.E.,* Birmingham; Capt. P. Muschamp, J.P.,* Mansfield; Prof. A. W. Nash,* Birmingham; Col. J. G. Needham, D.S.O., Manchester; A. R. Neelands, Doncaster; Cecil Newton,* Manchester; R. E. Palmer,* London; Lieut.-Col. E. Pam, O.B.E., London; S. R. Park,* Wigan; C. J. Park,* Wigan; A. P. Pehrson, Sheffield; Tom Peirse, Hull; A. E. Pettit,* Brimpton; Sir R. A. S. Redmayne,* Cobham; V. B. Reichwald, London; C. I. Robinson, London; Stanley Robson,* London; Axel Sahlin,* London; H. L. Sargent, London; R. G. Scott, London; Lt.-Col. W. A. Seaman, Sheffield; N. G. Smith, Birmingham; P. Bosworth Smith, Brighton; J. B. Sneddon,* Midlothian; C. O. Spear, London; O. J. Stannard,* London; Prof. S. J. Truscott,* London; H. Walker, C.B.E.,* Millbank; E. A. Watson, Coventry; W. R. A. Weatherhead,* Birmingham; T. C. Wild, Sheffield; J. A. Woodburn,* London; W. B. Woodhouse, Bramhope; H. C. Woolmer,* London; S. G. Woolmer,* London; R. F. Woolmer,* London; D. Wylie-King,* London; C. S. Yeates,* London.

India

H. C. Jones, Calcutta; Geo. Miller, Calcutta; E. O. Murray, Tatanagar; Major C. B. Oakley, V.D., Bangalore; N. R. Stafford, Burmah; B. Starks-Field,* Burdwan.

Portugal

Carlos Van Zeller, Lisbon.

Russia

F. B. Champness, Sverdlorsk.

Spain

J. A. Haselden, La Carolina.

United States

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Empire Mining Congress Will Open at Montreal on August 23

TOUR THE DOMINION

Will Visit All the Principal Mining Operations From Coast to Coast

Next week the second (Triennial) Empire Mining and Metallurgical Congress will commence in Montreal. Several hundred delegates will be in attendance from all parts of the British Empire and the United States, including many eminent mining engineers and metallurgists. Two days will be spent in Montreal, with technical sessions at the Windsor Hotel terminating with a banquet at the Windsor on August 23. The delegates will then come to Toronto for further technical sessions. Much the same as those at Montreal and terminating with a banquet at Hart House. They will start tours of the principal mining districts of the Dominion. The first trip being to Pt. Colborne and Niagara and on Monday the 29th they will start north. Tour "A" goes to the Pacific and tour "B" to the Atlantic and Newfoundland. Both tours will be together throughout Ontario until Cochrane is reached, at which point they will separate.

In Eastern Canada the mining districts visited include Sudbury, Cobalt, Kirkland Lake, Porcupine, Rouyn, Arvida, Thetford Mines, Moncton, Sydney and the Wabana iron mines in Newfoundland. In Western Canada the mining districts visited included, Turner Valley, Lethbridge, Crow's Nest Pass, Kimberley, Trail, Princeton, Britannia, Cadomin and Edmonton.

The prospect of seeing the important mining centres in Canada, under the auspices of the Congress, has attracted the attention of a large number of Canadian and American business men who are availing themselves of this unique opportunity of gaining first-hand information concerning the mineral industry of the Dominion

Notes on the Operation of the Reduction Plant at West Springs, Ltd., by Carl R. Davis, J. L. Willey and S. E. T. Ewing (S.A.I. of E.)

A New Form of Air Meter and the Measurement of Compressed Air by E. J. Laschinger (S.A.I. of E.)

Vancouver Meeting, Sept. 14

Canadian Copper and its Production, by C. P. Browning (C.I.M. & M.)

Lead and Zinc in Canada, F. J. Alcock and T. W. Bingay (C.I.M. & M.)

A Brief Review of the Principal Base Metal and Base Mineral Resources of the Union of South Africa, by C. J. N. Jourdan (C.M. & M.S.S.A.)

Dewatering the Lower Levels of the Simmer and Jack Mines, Limited, by R. Craib (S.A.I. of E.)

Manufacture of Sulphuric Acid by the Contact Process. From Zinc Blende Roaster Gases, by W. S. Robinson.

Edmonton Meeting, Sept. 20

The Coal Industry in Western Canada, by R. Strachan, W. J. Dick and R. J. Lee (C.I.M. & M.)

Petroleum in Canada, by John Ness (C.I.M. & M.)

A Combination of the Baum, the Draper and the Froth Flotation Systems as applied to the Washing of Coal at the Linsi Mine of the Kailin Mining Administration North China, by Alex. Docquier, L. Bataille and R. Beetlestone, Communicated by Major W. S. Nathan (I.M.M.)

Impact Resistance of Steel at Low Temperatures, by A. E. Cameron (C.I.M.M.)

Quebec Meeting, Sept. 5-6

Asbestos Mining and Milling, by J. G. Ross (C.I.M.M.)

Possible Auxiliary Sources of Liquid Fuel, by A. W. Nash (Member I.P.T.)

The Sinking and Equipment of the Ventilation Shaft of The Government Gold Mining Areas, by A. Job (S.A.I. of E.)

The Tipping and Guiding of Vertical Skips, by G. W. Sharp (S.A.I. of E.)

Improvements in Drilling Efficiency with Jack-Hammers, by P. M. Newhall and L. Pryce (S.A.I. of E.).

The Institution of Petroleum Technologists papers.

Sydney Meetings, Sept. 9-10

Mining Coal Under the Sea in Nova Scotia, by F. W. Gray (C.I.M.M.)

The Metal Manganese and its Properties: Also, the Production of Ferro-Manganese and its History, by Robert Hadfield.

Raw Materials for the Iron and Steel Industry in India (M. & G. I. of I.)

The Manufacture of Steel in India, by the Duplex Process, by B. Yaneske (M.I. & S.I.)

From the mass of original and interesting contributions submitted to the

(Continued on page 18)

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COPPER PRICE HAS IMPROVED; SHOULD GO HIGHER STILL

European Buying Heavier Since Turn of Year—U.S. Demand Off

There is a growing interest in Canada in Copper. Production in the Dominion is at present confined to British Columbia and the Sudbury nickel-copper producers. But there are many copper operations coming up and in the past couple of years there has developed a considerable investment interest in copper shares. Noranda in the East is the leader, but the recent market in International Nickel shares has been because of new copper developments on Frood Mine.

What of the copper situation? The market has been safe this year, and many Canadians have shied at it because little or nothing is known of copper in the country.

Hamilton Brush, vice-president American Smelting and Refining, thinks the weakness in copper, nothing more or less than a psychological situation. He sees better times ahead for the industry. In an interview with "Engineering and Mining Journal," he says, that since the turn of the half year there has been a turn for the better in the psychology. This improved feeling soon communicated itself to the buyers, first in Europe and then in this country. The change seems to have been initiated with the publication of the statistics for the first half of 1927, followed almost immediately by several intelligent digests and interpretations of these figures that brought out the following:

First, in spite of supposed over-production and decreased consumption, total world visible stocks of copper which had been 393,000 tons on Jan. 1, 1926, and 412,000 tons on Jan. 1, 1927, were approximately 390,000 tons on July 1, 1927.

Second, of this total tonnage, almost 70 per cent. is continuously locked up in process and cannot be released unless copper is no longer to be produced. This quantity of copper in process is absolutely necessary.

Third, while American sellers and buyers were looking fearfully at a reduction of 22,000 tons in domestic deliveries of copper during the first half of this year, they were overlooking the fact that European deliveries of copper during the same period had increased by 58,000 tons and that the increase in total deliveries, therefore, was running at a slightly higher rate than the increase in total production.

Copper is a world commodity; therefore its position can only be judged by world statistics. Two other favorable factors may be added to these.

Fourth, although the European buyer is hardly yet willing to profess open friendship for Copper Exporters, Inc., there is discernible a steady increased tolerance of the association. The buyers in Europe are beginning to feel that the association is trying to be just and fair; that it is not adopting an arbitrary stand, but is doing everything in its power to smooth out difficulties and minimize complaints. A very large tonnage of copper was sold by Copper Exporters at their lowest price level, and at each successive level established during July.

Fifth, while the Europeans during July were buying more copper than they had bought in any one month since Copper Exporters was organized, the domestic users of copper were buying sparingly. Figures published by the American Bureau of Metal Statistics reveal that the deliveries of copper to American buyers were 5 per cent. less in the first six months of 1927 than they were in the same period of 1926. On the other hand, figures of sales of copper assembled by "Engineering and Mining Journal" in connection with its quotational service show a decrease of 10 per cent. as compared with the same period of 1926. This seems to indicate that quite promptly either deliveries must show a material decrease or sales must show a material increase.

The best business and banking minds are looking forward to a good fall business. If they are correct, it will mean that deliveries will not decrease, and that therefore sales must increase.

No doubt the modern tendency toward hand-to-mouth buying and low inventories is a sound one. However, if this policy has caused a shrinkage in the volume of buying recently, it is evident that present stocks in the hands of consumers must be at the minimum. The slack has been taken out. Already the price has advanced one cent. per pound as a consequence of European buying and improved sentiment. It seems reasonable to expect that the price level will hold, and probably advance when stored-up domestic demand makes itself felt.

Search for Mine Lost 40 Years Ago

For forty years or so, the late Col. Bob Stevenson, pioneer mining man of British Columbia, used to tell about a platinum mine in the Tulameen which he found, but which he could not find again. Everyone has heard of lost mines, but recent platinum finds in the Tulameen placers make one believe that perhaps Col. Stevenson was right after all.

John T. Blackburn, of Seattle, is quite sure on that point. The location of it was also described to him and he and W. M. Lewis, also of Seattle, are now in the hills at the headwaters of Tulameen River searching for the mine.

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NINE DRILL HOLES SANK ON MARRIOTT

Mineralized Bodies Cut Underground Check With Rich Surface Showing

Mineralized caves, some massive in spots, but no duds, were the outcome of drilling mine holes on the Marriott property on the Ontario-Quebec boundary. Pyrite, chalcopyrite and bornite composed the mineralized zones cut by the drills. The ore is not complex, zinc being absent. Some exceptionally rich ore was found on surface on this property and checked up by the diamond drilling. J. C. Houston, M.E. consulting engineer, has reported as follows on the drilling:

"Nine drill holes have so far been put down and each one has shown mineralization. Three short holes put down at an angle of about 75 degrees on the original find brought up well mineralized cores, massive in some spots. The mineralization is all pyrite, chalcopyrite and bornite.

"Further trenching to the south of the original find, about 300 feet removed, has revealed some very interesting formation. Two or three quartz stringers in the diabase heavily mineralized have been cut showing respectable showing of chalcopyrite.

"Further trenching is being carried north, south and east of the original find. In all trenches, copper is showing. Diamond drilling is proceeding and the indications are, and the results to date impress me that a very large ore body will be opened up.

"The geological showings are excellent, a wide belt of rhyolite dipping to the southeast and running northeast by southwest. This has been intruded on the south side by a wide diabase dike lying parallel. The rhyolite shows copper wherever cut by the diamond drill, and at numerous points where exposed on surface. It is in this belt of rhyolite that the high-grade copper is showing at the edge of the lake. The drill holes would indicate that the deposit dips to the south at rather a flat angle along the footwall of the belt."

IMPORTANT SUBJECTS WILL BE DISCUSSED BY MINING LEADERS

(Continued from page 17)

Committee on Papers and Publications, a careful selection has been made for presentation to the Congress. The Chairman of the Committee, Dr. W. H. Collins, Director of the Canadian Geological Survey, states that the Committee was deeply impressed with the outstanding quality of the papers, and the study and research that they evidence.

R. P. D. Graham, Professor of Mineralogy at McGill University, the Congress editor, is rapidly completing his work and has the majority of the papers in galley form. Two of the Canadian papers have already appeared in the May issue of "The Canadian Mining and Metallurgical Bulletin."

The papers will be presented to the Congress in the following order:

Montreal Meetings, Aug. 22-23

Proposed Review of the Mineral Resources of the Empire, by Sir Thomas Holland (I.M. & M., London).

Magnesia Refractories for Steel Furnaces, by G. M. Carrie (C.I.M. & M.) and C. S. Pascoe.

Smelting Titaniferous Iron Ores, by A. Stansfield (C.I.M. & M.)

Portland Cement in Canada, by W. A. Toohey.

Mining and Metallurgical Practice in Australia.

Health Safety Problems.

Toronto Meetings, Aug. 25-26

Winning and Refining of Precious Metals from Sudbury Ores, by Cuthbert Johnson (Inst. of M.)

Nickel, Past and Present, by R. C. Stanley (C.I.M. & M.)

The Silver Mining Industry of Canada, by A. A. Cole (C.I.M. & M.)

The Cascade Method of Pouring Steel, by J. G. Morrow (C.I.M.M.)

Deep Level Mining and High Temperatures, by A. Mavrogordato and H. Pirow (S.A.I. of E.)

Winnipeg Meeting, Sept. 3

The Development of Gold Mining in Canada, by G. E. Cole (C.I.M. & M.)

Methods of Eliminating Barren Rock from Ore at the Sub-Nigel Mine, by W. A. Quince (C.M. & M.S. of S.A.)

RUMORS CAUSE BREAK IN DUNWELL SHARES

Stock Which at One Time Was Up to $6.50, Now Selling Around 85 Cents

From Our Own Correspondent.

VANCOUVER.—Sensational decline in Dunwell stock has been the feature of the mining situation in British Columbia during the last few days. During the past two years Dunwell has sold as high as $6.50 a share. At time of writing it is quoted around 85.

While government reports indicate that there is ore in sight at Dunwell for at least a year, the present stock activity has given rise to a suspicion that recent tests of the property have been disappointing. A wild rumor was current that the mill would be closed down shortly, but direct denial was given to that by President R. M. Stewart.

"We haven't even thought of closing down," declared Mr. Stewart. "Nothing can be done to check the short selling. The present situation is one that should be considered by shareholders and directors, and must be dealt with at the proper time and in the proper place. We are not afraid of an ore shortage. We are going right ahead with development of the Ben Ali claim and expect to increase our tonnage considerably from that source."

Dunwell's mill has been handling 150 tons of ore daily, producing 30 tons of concentrates, 20 of which are zinc and 10 lead, carrying gold and silver values. Diamond drilling has been carried on during the summer.

Although Dunwell is regarded as one of the most important of the Portland Canal properties, the nervousness with which its stock is being handled has not adversely affected other stocks of the same district. Premier and Porter Idaho have both advanced.

TAKE ANOTHER SHOT AT INDIAN MINES, B.C.

Directors Made Deal With Owners of New Process to Try Out Ores

Indian Mines, Portland Canal area, British Columbia, with numerous shareholders in the East, is due for a further mining effort. Directors have made a deal with a concern having a new method of treating complex base and precious metal ores, to handle the operation. The statement sent shareholders reads:

"The owners of a special process for the treatment of zinc-lead ores carrying gold and silver, such as those contained in the Indian Mines, have decided, after preliminary test of the ore in the laboratories in New York, that they can treat it economically.

"As a result they have offered to establish at the mine, at their own expense, a small plant and demonstrate to our satisfaction that they can treat this ore on a commercial basis.

"If they can establish their ability to do this, they are prepared to erect, at their own expense, a plant capable of treating about 100 tons per day, provided, however, that the company simultaneously install a crusher plant.

"In consideration of this arrangement, your directors have agreed to give these parties an option on the remainder of the unsold treasury shares at graded prices extending over a period of months, the lowest price being considerably above the present market price, and with raised prices for each block.

"All expenses in connection with the re-examination of the mine, revaluation and treatment of the ores for testing purposes, will be borne by the owners of the extraction process."

Arsenic Prices Were Soft in Last Year

Production of arsenic from Canadian ores, in 1926 was 5,074,677 pounds, valued at $146,811, compared with 3,434,137 pounds valued at $130,302 in 1925.

Arsenic in large quantities is consumed in the manufacture of calcium arsenate, an insecticide which is most effective in combating the ravages of the boll weevil, an insect which infests the cotton plant of the south, and the degree of infestation of this crop has a direct bearing on the price and production of arsenic. The average price of arsenic in New York during 1926 was 3.5 cents per pound as against 4.66 cents in 1925.

In Canada arsenic is used in the manufacture of paris green, lead arsenate, lime arsenate, sheep dips and other insecticides. Other uses are in the manufacture of glass and to a small extent in medicinal and pharmaceutical preparations.

The greater part of the Canadian production of arsenic is obtained from the south Ontario smelters as a by-product of the ores from the Cobalt district. A small amount is contained in the residues exported by these smelters. British Columbia's annual production of arsenic is contained in concentrates shipped from the Nickel Plate gold mine to the Tacoma smelter.

Ilmenite Ores of Quebec Being Studied

Iron ore production in Canada during 1926 was practically negligible, says Mining branch, Dominion Bureau of Statistics. Ilmenite, amounting to 200 tons, valued at $600, was shipped by Manitou Iron Mining Co. to England for experimental purposes.

Research work is being carried on by the Department of Mines at Ottawa on the ilmenite ores of Quebec, with a view to making an economic recovery of both the titanium and iron. Titanium oxide is becoming recognized as a valuable material in the manufacture of paints and is said to be better than white lead for certain purposes because of its ability to withstand corrosive action.

British Empire Steel Corporation, Nova Scotia, continued to operate the Wabana mines of Newfoundland and during 1926 shipped 969,601 short tons of iron ore. Of this amount 503,640 tons were exported to Europe and the balance or 465,961 tons were shipped into Canada. 1925 shipments totalled 1,267,851 tons, 384,795 tons to Canada and 883,056 tons exported to Europe.

Cut Porphyry Dyke

A dyke of heavily mineralized red porphyry has been cut by diamond drilling in a swamp on Servais Gold Mines, Kirkland Lake.

Porcupine Crown May Do Further Drilling

MONTREAL.—Directors of Porcupine Crown Mines will hold a meeting shortly to consider the advisability of doing further diamond drill work on their claims in Guyenne Township, Quebec. The diamond drilling already undertaken has disclosed some very interesting results which warrant further investigation.

SMELTERS SEEKING THE BIG MISSOURI

Reports From Stewart Carry Further Important News of Salmon River Area

Consolidated Mining and Smelting may take over Big Missouri mine on the upper Salmon River, Portland Canal area, British Columbia. Advices to this effect have reached Vancouver from Stewart and the presence of Wm. Archibald, "Smelters" mine manager in the area, lends credence to the report.

This section is very much in the limelight. Last week it was announced that British Consolidated had optioned all the area lying between its property and Big Missouri.

Big Missouri is regarded as being a large rich mine that would show up exceptionally well in the hands of aggressive operators like Smelters. There is another report that Anaconda Copper is negotiating for the property.

Big Missouri was for a time under option to London and New York interests and is now in the hands of W. R. Rust, Tacoma mining interests.

Development of the Big Missouri is bound to be reflected in other ventures in the area, and will prove a material factor in helping all to reduce costs.

Don Rouyn Speeding Up Exploratory Effort

Don Rouyn Co. has launched an aggressive exploratory effort. The shaft is being sunk by contract and in addition company has diamond drill at work and a gang of 20 men busy on surface exploration. Large mineralized zone, 600-ft. wide, has been trenched and stripped for some 2000-ft. and the company is now sending in a compressor and equipment to push work more vigorously.

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Canada's Copper Output Shows Quebec's Opportunity
The output of copper in Canada, as reported by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics, shows a production in 1926 of 133,094,492 pounds, valued at $17,490,300, compared with 111,450,518 pounds valued at $15,649,883 in 1925. This represents an increase of 18 per cent. in quantity and 12 per cent. in value.
Copper is produced in Canada in the provinces of British Columbia, Ontario and Quebec—British Columbia accounting for 67 per cent. of the Canadian output, Ontario 31 per cent. and Quebec 2 per cent. With the large copper areas known to exist in Quebec and the development taking place in that field, Quebec's opportunity in adding to Canada's copper output is apparent.
The opportunity to investors is also apparent. Those who back legitimate mining enterprises in Quebec will profit handsomely from Quebec's expanding copper development. Ontabec Limited is such an enterprise.
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Tipster Sheets Extensively Used in Selling to Public Stocks With Little Value

Table Compiled by Boston Bureau Shows How Market for Numerous Mine Shares Has Been "Rigged"

"When they pull the "plug" on a rigged market, then the public finds out what "suckers" they have been."

An old market trader made the above assertion not long ago. He was right. One of the very unfortunate facts is that the barnacles, or parasites, or whatever one wishes to call them, who rig the market, usually pick on the mining industry, to put over their nefarious work. A striking evidence of this is found in the report of Boston Better Business Bureau, in reviewing a number of issues traded in on Boston Curb Exchange. Sometimes, perhaps, Canadians will quit buying Boston Curb issues, then they'll start cutting down losses. There are some eye-openers in the facts presented in the B.B.B.B. report.

Bulletins issued by the Boston Better Business Bureau within the past twelve months have described the promotions of thirty-three stocks listed on the Boston Curb Exchange. The data contained in these previous bulletins, briefly summarized here, show the magnitude of the operations and give an idea of the chance taken by the uninformed person who invests his savings in accordance with the promoters' recommendations.

The thirty-three companies promoted have a total authorized capitalization of upwards of $80,000,000.

The week of September 13, 1926, was a big sales week on the Curb Exchange. During that week, 561,836 listed shares, involving about $1,600,000, were reported sold. Over 90 per cent. of this amount of $1,600,000 was represented by sales of some of the stocks described in this bulletin.

The volume of sales on the Boston Curb Exchange is now running below the September figures. During the week of June 6, 1927, a total of 230,723 shares listed on that Exchange were sold at approximately $220,000.

No record of any dividend payments by any of the thirty-three companies during the 1925-27 period has been found except (1) a 2-cent dividend by Bagdad Smelting and Refining Company in 1925, amounting to $1,314.50, which was paid shortly after the sale by that company of one carload of ore for $1,554.35, and (2) a 2-cent dividend by West Comstock Gold Mines Company shortly before that company went into receivership.

A purchaser of 1,000 shares of each of the thirty-one stocks traded in during 1925-27 at their "highs" would have paid $114,402.50. On June 22, 1927, the same shares would have sold for $15,022.50, based on the last available price quotation (bid) recorded on the Boston Curb Exchange sheets.

Name of Stock	Promoting Sale of Stock	Tipster Sheet, Publication or Literature	1925-27 High	Last Quotation (bid) up to June 22, 1927
Ace Oil & Refining Co.	Sloan & Co.	The Investment Digest	$ .71	$ .03
Alamos Silver Mining Co.	Coshnear, Jones & Co.	Wall Street Chronicle	2.27½	.03
Alvarez Mining Co.	Equitable Pub. Co.	The Financial Criterion	1.50	.68
Ardsley Butte Mines Corp.	Equitable Pub. Co.	The Financial Criterion	3.25	.65
Arizona Lead Mines Co.	James A. Dyche; Geo. H. Perkins & Co.	The Market Barometer	no trading	
Bagdad Silver Mines Co.	Dailey & Co.	"Market Letters"	.60	.17
Bagdad Smelting & Refining Co.	Dailey & Co.	"Market Letters"	1.43¾	.18
Black Oak Gold Mines Co.	James A. Ferns & Co.	Circulars	.69	.12
Butte Copper Consolidated Mines Co.	Financialistic Debater, Inc.	Financialistic Debater	1.81¼	.80
Cheyenne Oil Co.	Gilbert, Palmer & Co.	Market Wisdom	137½	.05
Colombia Emerald & Development Corp.	George Graham Rice, alias Jacob S. Herzig; W. L. Jarvis & Co.	Wall Street Iconoclast	17.62½	2.00
Consolidated Petroleum Corp.	Morris Young	Literature	21.75	.40
Dun Glen Mines Co.	Jones & Co.	Jones Daily Trader	2.75	.02
General Mines Corp.	George Graham Rice, alias Jacob S. Herzig.	Wall Street Iconoclast	2.50	.85
Great Del Norte Mining Corp.	Great Del Norte Mining Corp.		15.0	.35
Grey Wolf Mining Co.	Dailey & Co.	"Market Letters"	.72	.05
Idaho Copper Co.	George Graham Rice, alias Jacob S. Herzig.	Wall Street Iconoclast	3.50	1.00
Idaho Copper Corp.	George Graham Rice, alias Jacob S. Herzig; W. L. Jarvis & Co.	Wall Street Iconoclast	6.50	1.62½
Juno Copper Company	J. H. Estes & Co.	Circulars	1.93¾	.02
Nixon-Nevada Copper Corp.	Nixon Nevada Syndicate; Frank R. Sircom.	Jamaica Plain Journal; Market Forecaster	.70	.03
Northern Belle Extens'n Mining Co.	Sloan & Co.	"Private Wire Telegrams"	2.87½	.20
Outdoor Advertising, Inc.	(Trading has not started in this stock as yet).		no trading	
Peavine Consolidated Mining Co.	Dempsey & Co.	The Pendulum	1.12½	.10
Perpetual Petroleum Corp.	Guy M. Spear & Co; William Harper, Jr.	Market Wisdom; Spears Ticker Topics; The Financial Censor	2.12½	.15
Petite Radio Corp.			2.75	1.00
Quinby Oil Corp.	Paul Johnson & Co.	"Market Letters"	17.50	.75
Shea Copper Co.	Dailey & Co.	"Market Letters"	.17	.03
Union Gold & Silver Mines Corp.	W. L. Jarvis & Co.	Circulars	1.37½	.05
Unity Mines Corp.	Franklin Bond & Share Corp.	Market Prudence Financial Service	1.62½	.05
Universal Glass Machine Co.	Cowan & Co.	Circulars	5.00	2.00
Victory Gold Mines, Ltd.	Financialistic Debater, Inc.	Financialistic Debater	1.50	1.43¾
Walklin Petroleum Corp.	A. Arthur Carter	Literature	3.50	.10
West Comstock Gold Mines Co.	Dill & Co.	Financial Record	1.62½	.10

HOLLINGER MEANS TOO MUCH TO ALLOW WRECKING OF CONFIDENCE

(Continued from page 17)

the nervousness began. It is this situation, brought to the notice of The Financial Past, by hundreds of inquiries by letter or wire, that led The Financial Post to press for some explanation.

The Financial Post is not questioning Mr. Timmins or Mr. Brigham's integrity or ability, but it is urging, that in the interest of the shareholders and of the industry, that they come out with a detailed statement in regard the position of the operation. They will do themselves and the industry much good.

Mine Position Strong

As regard the mine, The Post would reiterate much that was said last week. In the interval, rumors in regard the rake of the veins have been repeated for the steenth time until they begin to border on propaganda. Our information in regard this technical matter is that undoubtedly some of the veins rake out at depth. They do on the McIntyre. They do on others. It has been known to engineers that they did on Hollinger. But they also know that there were many that did not rake out. Also that there were other veins that came in as they do on McIntyre and on others. Besides Hollinger knows that it has veins on the Schumacher that carry to 3,500 ft. at least.

Why the Rumors Now

The interesting fact about the whole thing is that while Hollinger has gone on expanding and enlarging, always giving shareholders a good return; always showing progress in production and ore reserves, derogatory rumors never got under way. Now with the large producer just about to reach the pinnacle of this property at least, with huge reserves, a huge cash position, a wonderful dividend record and with costs on the decline, thus making a greater profit for the shareholders either in increasing net and increasing the life of the mine by adding to the commercial ore tonnage it becomes torn with rumors. Public confidence is shaken. Hollinger is too big; Hollinger means too much to the industry. to Canada, to go that way, especially when an official statement will clear the air quickly.

W. Hargreaves Operation Ready For Big Things

Wright Hargreaves shares have spurted and are selling close to $6.50. This is about the level achieved for the old shares at the time of the split up in May. The old shares then sold at $13. The new hoist is now in place. The mill is handling 600 tons daily and it would look as if the company is away to bigger and better things.

OLD KASLO CAMP IN B.C. GETTING MUCH ATTENTION

Indications That Fair Production Will Again be Under Way

Earlier in the year The Financial Post predicted that the old Kaslo Camp, in British Columbia, one of the gateways to the Slocan country, was showing signs of staging a comeback. This is being realized more quickly than anticipated by the writer, at that time. Western Canada Mining News correspondent in that section, pictures quite a lot of new activity that has sprung up in the last few months. The article reads:

KASLO.—Quite a number of engineers have been in the district examining properties. The Consolidated has been looking at Liberty Hill, Yolen Williams' property on the South Fork, Kalso, Leviathan, Campbell Creek, Timms, T. C. group, Buchanan mountain.

Mr. Dawson, surveyor, has staked for an American company, 20 claims extending from the Lucky Jim holdings, touching the Jackson basin and finishing near Blaylock, 15 miles from Kaslo.

As this is being written, old Hemlock Silas Brown, the well known prospector, came in along with E. Scott, and says he is completing a deal to sell out to Scott and associates. His property is the Whistler, situated between the Red Elephant and the Bannockburn on the Upper Duncan. He has put in 6 open cuts and has 4 feet of galena in one of them, and good ore in all, with an average of 70 per cent. lead, 16 ounces silver and $5 gold.

Dan McPhail is just in from the upper Duncan-Lardo country and says he has the biggest thing in the country, 60 feet wide with an average of over $6 in gold. It is called the Gertrude group.

Samples of high grade ore from the Krao mine, Ainsworth, which is being opened up by W. E. Zwicky, of Kaslo, are hard to beat.

John Noihl has good showings on his claims, 4 miles below Hailey's, in the Duncan-Lardo country.

The crew working on the Silver Bear, South Fork, Kaslo, is working under difficulties as water is pouring in. This is a good sign of ore in this district.

Whitewater is making good time in the construction of its mill.

Cork-Province is on schedule with the sinking of its 300-ft. shaft.

Mines Are Found by Fools

A critical subscriber of E. M. J. New York, in a letter to the editor gets off a couple of classics. We are not concerned with his plaint, but he does make a couple of good points emphasizing the task of the prospector. He says:

"I would be the last man to ask you to adopt editorially the policy of the Western mining camp newspaper. But I do think there is a medium sane course. I look on mining as, in essence, a highly speculative business. Blind unreasoning hope is futile. But there is a legitimate function in optimism of a reasonable kind. You must realize, if you know anything about the West, that mines are found by fools. Few, if any, mines would ever be found if the prospector frankly recognized at the start the odds against success. Most of us feel that the mines of the future must be found by hard work against enormous odds. Either that or a perfect 'doodle bug' must be invented. Therefore what good purpose is served by statements that all the mines in the territorial limits of the United States have been found? The same argument applies to your metal-market comments."

Fisher Quebec Resumes

Exploration is again under way on Fisher Quebec property near Amos, with F. C. Lorring, M.E., consulting engineer, in charge. New finances have been secured.

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ABANA CUTS 10-FT. OF ZINC ON 300; FACE STILL IN ORE

Company Plans to Take 250-ton Concentrator in During Coming Winter

Abana Mines has cut into its vein on the 300-ft. level. This news is responsible for the flurry in the shares, carrying it up over the $3 mark.

The last word from the property was that the ore had been picked up 24 ft. from the shaft and the cross-cut had entered 10 ft. of zinc ore. The expectation, based on 200-ft. level results, is that there will be 16 or 18 ft. of zinc, 7 ft. of schist and 14 ft. of copper. It will be two weeks before the complete results of the work will be known.

Due to the favorable results, which are being obtained in development, it is announced that plans are now being laid for enlargement of the mining plant and erection of a 250-ton concentrator.

It is expected that the machinery for this mining and production program will be moved in during next winter.

The large dimensions of the ore zone thus far developed, averaging over 300 ft. in width, with possibilities of being wider, and which runs into tonnage rapidly, is said to justify the installation of a preliminary unit of a concentration plant. The average value of the ore so far developed is over $30 per ton—the highest average value thus far reported from substantial tonnages in northwestern Quebec. At present, there is a possible ore reserve of $12,000,000, considered to a depth of 300 ft., which is the depth of the shaft at present, and considered on a length of 200 ft. on either side of the shaft in the strike of the ore-deposit. The total length of the indicated ore-deposit is over five times that on which the above estimate of possible ore has been made.

Abana Treasury is amply financed to carry through all development work and the installation of the necessary power plant, mining plant and concentrator. The contract with the present brokers calls for payment into Abana Treasury of $430,000 within a year, and there will still remain over 300,000 shares of stock in the treasury, which, at present quotation, would net the treasury over $700,000, and as this remaining stock will not have to be disposed of for at least another year, there is a possibility that it will net the treasury a much larger return. Abana is capitalized at $3,000,000. There are pooled 1,200,000 shares until March 1, 1928; 500,000 are in hands of the public; 1,000,000 shares are optioned, and there are 300,000 in the treasury.

Cut 34-ft. Massive Ore on Ald.-McKay

Some really big news is coming out in regard to Towagamac. It is understood that the diamond drilling has indicated a very large reserve of ore on the Alderson Mackay mine. Official news of what is regarded as one of the most important strokes since that of the Horne has been forthcoming. A statement from Montreal says:

"The deep diamond drill hole now being put down at the Alderson-Mackay Mine at a depth of 1,340 ft., cut 34 ft. of massive good grade ore. The shaft has reached its objective at Drilling still continues in ore. 500 ft. in massive sulphides, which it entered at 414 ft. The station now being cut at the 500-ft. level has disclosed a width of 20 ft. of good grade massive ore, with neither wall of this ore body in sight."

Teck-Hughes Enlarged Mill Now Operating

Teck Hughes is tuning up the second half of the first unit of its high grade mill and next week should see the mine sending 300 tons of high grade ore to the mill. The shares have exhibited great strength and are now within striking distance of $9.50.

Rouyn Kennecott Mines Stock Listed in Montreal

Rouyn Kennecott Mines have been listed on Montreal Mining Exchange. Company owns gold properties in Black Hills of Dakota, which for a time were operated on a profitable basis. Canadian holdings are 600 acres in Duprat and 370 acres in Boischatel Twps. The latter near Towagmac holdings, N. W. Quebec. J. P. Callaghan, Montreal, is president.

Doug. Mutch in Charge of Rubec Development

Douglas Mutch, consulting mining engineer, has been put in full charge of the development work of Rubec Mines. A force of 20 men will be at work by August 20 and the first work will be done on the property formerly owned by Rouyn Gold Mines, Limited, on which nearly $100,000 has already been spent.

TURNER VALLEY NAPTHA OUTPUT

Total production of crude naptha taken from the Royalite well and purchased from other wells in the Turner Valley field during May, 1927, amounted to 22,835 barrels. This total is made up of 18,693 barrels produced by the Royalite No. 4 well, 757 barrels taken from Royalite wells Nos. 1, 2 and 3, and 3,385 barrels purchased from other producing wells.

Nipissing or Goudreau

Nipissing is reported to have optioned a group of silver claims on Goudreau. The price is said to be $100,000. The property is said to be on a group of 8 claims, just south of Goudreau on the A. C. R., and owned by W. Kozark. It is ryolite porphyry and assays run high in silver and carry gold, lead, zinc and copper.

Tags for Mining Shares

Some one, some day, may invent a yardstick by which mining shares can be measured, classified and tagged for the benefit of investors, says Mining Truth, Spokane. Several attempts have been made. This office is frequently flattered by requests that a table of values on mining stocks be inaugurated.

A certain Canadian brokerage house has evolved a classification of mining shares into six divisions: (1) "Speculative investments;" (2) "Preferred speculations;" (3) "Attractive speculations;" (4) "Fair speculations;" (5) "Gambles with possibilities;" (6) "Gambles uncertain and unpromising."

This system lacks several things. Management may be taken into consideration, of course, but the element of price is missing, and that is one of the most important considerations. A mining stock which is a "sure thing" at $10 and a "speculative investment" at $20 may be a foolish gamble at $100—look at what happened to Engineers Gold. Or a "preferred speculation" at 20 cents may be only a fair speculation at 50 cents.

The Canadian house classes Bunker Hill as a "speculative investment," which is the highest classification recognized; and it classed Gladstone Mountain as a "preferred speculation" when that stock was about 60 per cent. above its present market price. Any stock at 15 is a better purchase than the same stock at 20; but this important element is overlooked in the classification system under discussion. That's the trouble with most investment yardsticks. They don't measure.

And yet it would be premature to assert that no acceptable method of measuring mine stock values can be devised. The system must be rather intricate, covering underground conditions, geology, milling methods, transportation, prospective metal markets, mine management, financial management, number and classes of shares, pooling or escrow arrangements, and even more intimate factors concerning the reputation and responsibility of the men involved. In many cases the last-mentioned element is the most important.

Not an easy procedure, certainly, but for an independent and properly equipped office it is not entirely impossible.

MINING STOCK QUOTATIONS

Week Ending Aug. 16

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Aug. 16	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Lw
Abana	1	....	....	2.80	2.10	2.80	31358	....	....	2.80	.20
Aconda	1	....	....	18	14½	16	6400	....	....	45	14¼
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Al. C. M.	.	....	....	....	....	....	....	....	....	4.59	3.01
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	4.48	4.06	4.18	344630	2.89	.90	4.48	.85
Algonquin	1	....	....	2¾	2¼	2¾	2000	6¼	1¼	5¼	2
Apex	1	....	....	....	....	....	....	6	2¼	3½	1
Area	1	....	....	75	56	66	752255	1.55	.21	1.95	.25
Argo. Con.	1	....	....	35	30	32½	179869	67	18½	69	.25
Atlas	1	....	....	4	3	4	5100	5	1⅜	7	2
Archean	10	....	....	....	....	....	....	....	....	18	17
Ajax	1	....	....	12½	10	12½	17600	....	....	39	6½
Bard	.	....	....	....	....	....	....	....	....	1.59	.25
Baldwin	1	....	....	1½	1	1	7000	6⅛	1	4¼	1
Barry Holl.	1	....	....	35	29½	35	87050	1.00	.21	1.00	.25
Beaver	1	....	....	1.50	1.19	1.50	162650	.99	.51	1.43	.5½
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	3
Bidgood	1	....	....	11	9	10¼	18138	9⅛	4½	14½	5
Boischatel	None	....	....	5	3½	4	24450	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	2
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	3¼	3	3	3000	7¼	2	9½	3
Bunker H.	10	....	....	....	....	....	....	....	....	1.00	75¼
Can. Lorrain	1	....	....	12½	11	11	3900	93	57	72	10
Capitol S.	1	....	....	20	17	18½	20900	48½	24	34	15½
Capitol R.	.	....	....	18	15	15½	25880	43	26	54½	10
Cen. Manitoba	1	....	....	1.63	1.55	1.59	34570	....	....	1.90	1.07
Castle Tre.	1	....	....	75½	70	71	5780	1.85	.91	1.27	.70
Chaput H.	1	....	....	10	8¼	9⅛	11100	22	8⅛	13¼	4⅛
Clifton	1	....	....	....	....	....	....	6½	1	3½	1
Col. Kirk	1	....	....	2	2	2	43100	6¼	2	6	1½
Coniagas	5	....	....	4.90	4.85	4.85	2700	4.85	3.00	5.00	3.20
Coniaurum	5	....	....	4.10	4.05	4.00	2006	4.60	3.00	4.25	2.80
Cons. Smelter	25	10+5	1.11	229	223	229	897	265	177¼	264	215
C. W. Dome	1	....	....	5	4¼	4¼	10500	29¼	14	19	4¼
Corona	1	....	....	14	12	13	73250	37½	20	37	10
Copper Hill	1	....	....	61	58	60	30300	....	....	61	47
Comm. Mines	.	....	....	....	....	....	....	....	....	1.50	71
Crown Res.	1	....	....	12½	10	11	8100	24⅛	8	15¼	7
Coast Copper	.	....	....	12.50	12.00	12.00	380	....	....	22.00	12.00
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	43	40
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dome Mines	None	$1	13.80	7.30	7.10	7.25	2560	20.00	8.00	10.85	6.85
Don Rouyn	1	....	....	32	25	29	102380	61	25	56½	17½
Duprat	1	....	....	11	8	8	87,425	35½	8½	34¼	6¼
Duprat (new)	.	....	....	21	15	15½	49450	....	....	21	15
Dunwell	1	....	....	....	....	....	....	....	....	1.51	1.50
Dubec	1	....	....	1.32	1.25	1.32	37000	....	....	1.32	.35
Dom. Lead	.	....	....	1.66	1.59	1.66	18700	....	....	1.66	1.05
D. Kirk	1	....	....	....	....	....	....	....	....	11¼	1½
Eastern Metal	1	....	....	15.50	13.50	-15.50	175	....	....	15.50	10.00
Everett	1	....	....	....	....	....	....	12¼	3¼	5½	1¼
Fiske	.	....	....	8	7½	7½	1300	....	....	30½	5
Fisher, Que.	1	....	....	1.37	1.28	1.37	26785	....	....	1.37	.50
Goldale	1	....	....	32	29	30	33450	43	24	35	20
Gold Hill	1	....	....	26	22	25	121848	73½	25	54	24½
Gold Reef	1	....	....	....	....	....	....	5	1	2½	½
Gifford	1	....	....	....	....	....	....	....	....	1¼	1
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Grover Daley	1	....	....	10	9	9½	41850	32	18	37	8
Gold Ore	.	....	....	1.88	1.70	1.88	4750	....	....	1.88	.90
Harvie Exp.	None	....	....	13.50	12.40	13.10	945	....	....	16.10	12.00
Hillcrest	100*	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.43	....	....	....	....	83	79½	87	83¼
Hill Top	1	....	....	8	6½	8	15700	31¼	20	24	6½
Hollinger	5	26	7.10	18.30	16.50	17.85	20710	21.00	16.75	22.65	16.50
Howey Gold	1	....	....	68	65	68	21500	....	....	75	42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Holyrex	1	....	....	....	....	....	....	....	....	5½	5½
Indian	1	....	....	8	6	8	21500	14½	2¼	12	4
Int. Nickel, c.	25	$2	3.03	67¼	63¼	66	45515	46	32¼	75	38
Jay Copper	1	....	....	....	....	....	....	1.10	.73	1.26	.30
Keeley	1	24	24.00	98	93	94	18951	1.90	1.39	1.66	.93
Keora Mines	1	....	....	....	....	....	....	22	11	12½	2½
Kirk. Hunt	1	....	....	14	13½	14	23850	34	8½	35	10
Kirk. Lake	1	....	....	2.00	1.54	1.96	438010	1.44	.69	1.70	.82
Kamisko	.	....	....	10.75	9.50	10.10	8.25	....	....	10.75	7.62
Kamiskotia R.	.	....	....	10.75	10.25	10.75	610	....	....	10.75	10.25
Kirk. S.B.	1	....	....	1.10	.90	1.10	13475	....	....	1.10	.75
Lake Shore	1	40+10	2.43	22.00	20.00	22.00	7555	16.15	9.50	22.00	15.40
Lakeside L.	1	....	....	1¼	1	1	44500	10	1⅛	6	¾
Laval	1	....	....	34	30	32	142800	45¼	21	55	19½
La Rose	1	....	....	6	6	6	100	39	4	12	3⅜
Lorrain, c.	1	....	....	2	1	1½	9000	15	2	3¼	1
Lorrain T.L.	1	....	....	65	60	60	130	1.10	.30	.86	.25
Lucky Jim	.	....	....	....	....	....	....	....	....	21	20
Mentor	10	....	....	12.50	12.50	12.50	700	....	....	12.60	12.00
McDougall	.	....	....	38	35	35½	28700	....	....	50	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
M'tchatell	1	....	....	35	23	28	513236	....	....	42	23
Macassa	1	....	....	21	18½	21	19400	43	25	37	18
McKinley	1	....	....	15	15	15	2325	26	8½	18	11
McIntyre	5	20	3.88	25.75	25.40	25.40	3370	29.75	22.70	27.50	24.00
Millcrest	1	....	....	4¼	4	4¼	1500	21½	3½	6¼	4
Mining Corp.	5	25	4.16	3.08	3.00	3.05	1925	4.45	2.60	3.65	2.90
Moneta	1	....	....	....	....	....	....	18	11	14	8¾
Montreal Rouyn	1	....	....	30	20	24½	46700	60	13	33	10
N. A. Dev.	.	....	....	69	40	50	21800	....	....	2.10	.40
N. A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Noranda	None	....	....	22.65	21.40	22.30	29950	24.75	12.00	25.00	19.95
Noranda Rights	.	....	....	75	60	70	54350	....	....	90	64
Newray	1	....	....	40¼	40¼	40¼	2000	45	31	40½	28
Night Hawk	1	....	....	5½	4½	5	15000	17	3¼	10½	4½
Nipissing	5	6	5.45	5.65	5.25	5.25	7286	9.25	4.95	10.30	5.25
Ophir	1	....	....	....	....	....	....	4¼	½	4⅜	¾
Ontario L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	47	45	47	4600	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	4	2¾	3	14000	32	14½	18	3½
Porc. Crown	1	....	....	4	3	3½	6520	12	4	11	3
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Pioneer	1	....	....	75	68	68	12450	1.22	.66	1.18	.68
Premier Gold	1	32	14.90	2.26	2.20	2.24	16910	2.75	1.83	2.30	1.86
Preston	1	....	....	4	4	4	500	9⅛	4	7	3
Potter Doal	None	....	....	17¼	10½	15	156200	....	....	65	10½
Power & Mines	.	....	....	....	....	....	....	....	....	1.70	75
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn	1	....	....	3	1	2	20800	9	1⅛	5	1
Rouyn, Que.	1	....	....	2	2	2	1000	4½	1¼	4⅜	1
Ribago	1	....	....	32½	27	28	237200	....	....	87	13
Rouyn K.	.	....	....	1.04	.73	1.04	12800	....	....	1.04	.73
Rubec	.	....	....	2.30	2.00	2.30	39763	....	....	2.30	1.10
Riscoe	1	....	....	50	25	35	470	....	....	50	12
South Keora	1	....	....	7	7	7	600	35½	5	54½	6½
Stadacona	None	....	....	17½	15	17	69100	51	40	55	15
St. Anthony	1	....	....	32½	32	32	5300	....	....	50	10
Sylvanite	1	....	....	3.75	3.60	3.60	2415	....	....	4.30	2.60
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Teck Hughes	1	10	1.17	9.33	8.48	9.20	55956	5.55	2.65	9.00	5.25
Timiskaming	1	....	....	4	4	4	100	15¼	6	7	4
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	29	25	29	57800	66	36	62½	25
Towagmac	1	....	....	4.50	3.00	3.90	119790	6.10	3.15	5.75	2.85
United Cap	.	....	....	....	....	....	....	....	....	5.32	3.00
Trogan	.	....	....	8.60	8.00	8.25	950	....	....	8.60	4.00
Vic. Silver	1	....	....	3½	3	3	16700	96	3⅛	14	2¾
Vickers	1	....	....	70	60	70	18850	1.22	.13	1.52	.25
Vipond	1	....	....	69	51	55	92202	2.02	1.49	1.75	.51
Wakenda	1	....	....	1⅛	1⅛	1⅛	2000	2¼	1	5	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West Tree	1	....	....	3	2¾	3	3000	....	....	4	2
Wettlaufer	1	....	....	....	....	....	....	10	2	4¼	2
Wright Har.	None	20c	3.05	6.49	6.00	6.40	64820	....	....	6.65	5.50
Vac. Gas	1	....	....	9½	7	7⅛	15600	....	....	26	3
W. Dom Lake	.	....	....	10	9	9	2150	....	....	13½	9
Wiltsey C.	1	....	....	....	....	....	....	....	....	50	50

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Shares of Sudbury Basin Prospect to be Listed

The first Sudbury basin operation to make a public distribution of shares will be Sudbury Basin Mines, which will list its shares on the unlisted section of the Standard Exchange.

Sudbury Basin Mines, Ltd., is composed of ground, which has been acquired in the Sudbury basin during the past year and a half by Joseph Errington and his associates. Options have been secured and claims located during that time and most of the holdings were picked up before the news of the Treadwell Yukon discoveries were made known. It is thought probable that the Errington interests have the pick of the basin outside of what is held by the Treadwell Yukon.

A good part of Vermillion Lake was located last year by this group on the theory that the ore-bearing zone had faulted north and ran into the lake. This theory is said to have been confirmed by Oscar Hershey, who has, as consulting engineer for the Treadwell Yukon, been directing the development of that property.

Clay Products of Prairies Value Near $2,000,000

Alberta maintains its lead over the other western provinces in the manufacture of brick, tile and other clay products. The value of the clay products manufactured in western Canada, by provinces, in the last two years is given as follows:

	1925	1926
Manitoba	$ 173,794	$ 242,797
Saskatchewan	95,952	187,419
Alberta	618,860	804,932
British Columbia	523,931	594,767
Total	$1,412,537	$1,829,915

English Group Operate Bienfait Plant

Mr. Molloy, Commissioner of Labor and Industries, Saskatchewan, has advised his office by cable from England that satisfactory arrangements have been made by the English group to operate the carbonizing plant at Bienfait.

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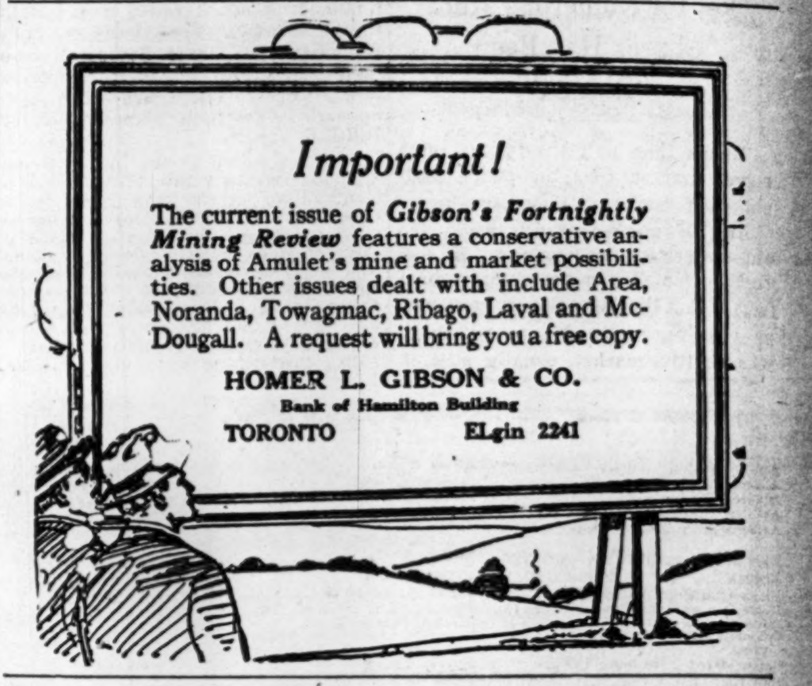

Important!

The current issue of *Gibson's Fortnightly Mining Review* features a conservative analysis of Amulet's mine and market possibilities. Other issues dealt with include Area, Noranda, Towagmac, Ribago, Laval and McDougall. A request will bring you a free copy.

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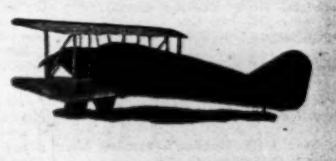

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Operating 36 Mining Claims of 40 acres each, approximately 1,450 acres in the Rouyn Mining Area, NORTHERN QUEBEC.

Being favored with advance geological information in the early days before the great rush when our prospectors had the whole field practically to themselves, the above claims were selected and staked in six separate and distinct groups each one in itself having all the earmarks of a mine.

A competent Mining Engineer is indispensable in the making of a mine, and in this respect, as in the procuring of the mineralized properties nothing has been left to chance. On the advice and recommendation of two of the most outstanding practical mining authorities on this continent we have engaged a man who, however, refused to accept the position of Consulting Engineer until he had personally examined the Company's properties and satisfied himself as to their merits.

On account of the spectacular gold showings and assays on group No. 4 development work has been concentrated on that zone, and the latest word from the Engineer, in addition to confirming previous announcements, reports finding an entirely new vein 9 feet wide averaging $22 to the ton in gold, which strengthens the conviction that Astoria Rouyn Mines, Limited, will have

"The First Real Gold Mine in Northern Quebec"

The executive offices of Astoria Rouyn Mines, Limited, are at 74 Sparks Street, Ottawa, Ont., and the Directors are as follows:

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Hon. Lucien Cannon, K.C., M.P.
Solicitor-General for Canada in the Government of Rt. Hon. W. L. Mackenzie King.

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Declares "Seasoned" Investment Not Always Better Than New Issue

A Contribution to a Long-Standing Problem of Investors by Stephen Valiant in the Magazine of Wall Street.

Just as timber that is cut and aged provides a sturdier support, so "seasoned" securities are considered to be sturdier investments than the issues of new companies which have not found a settled market level. By way of definition, a seasoned security is a stock or bond of a well established company that has been on the market for a sufficiently long time to find a price level that represents the appraisal of a great many investors, uninfluenced by the market support actual or potential of the house of issue. This level, of course, might be higher or lower than the price at which the security was originally offered to the public. In any event, however, the stability of an old issue is its major characteristic in contrast with the inherent possibility of market appreciation that is usually associated with a new offering.

Other Side of Story

A good deal has been said in favor of seasoned securities—still, as a class of investments they have their disadvantages, too, although little is heard of this side of the story. As a rule, there is little professional interest in a seasoned issue. That is to say, the firm which originally underwrote the issue has long since passed its interest and concern on to other securities, and the investor must depend solely on the information volunteered by the company itself. There is no market support other than the buying demand of other investors. Should the affairs of the corporation of issue take a turn for the worse, the investor would have little warning of the threatened impairment of his investment.

On the other hand, in the case of a new offering, the underwriting firm assumes the responsibility for making a careful investigation into the affairs of the company. Its engineers make a minute study of the physical condition of the property; its accountants study the financial statements for a number of years into the past; its earning power in the face of possible future slackening in general business prosperity is analyzed by trained statisticians. When a "new issue" is offered for public investment, it carries with it an implied recommendation and the underwriting syndicate assumes at least a moral responsibility for the issue. As far as the stated facts relative to the company and its securities are concerned, the underwriting firm can be held accountable for the accuracy of the representations appearing on its circulars, advertising and other literature issued in connection with the offering.

Is Himself Responsible

When an investor selects a seasoned issue, he makes the purchase on his own responsibility. Few investors have facilities at their disposal to investigate the issue as minutely as the underwriting firms. The company officials are not as ready to turn over intimate facts concerning their current activities to individuals as they are to bankers who are arranging a loan for their company. There is no "go-between" using his good influence to protect the best interests of the investors of the company—an office that is frequently performed by the banking firm as long as the firm is supporting the market for the issue which it underwrote. And, while the market for a seasoned issue is theoretically a "free market" unsupported by syndicate bids, it is not infrequent, particularly among the more inactive issues, that the lack of information or the "mystery" about the company's affairs creates an artificial value for the securities.

The Seller's Profit Theory

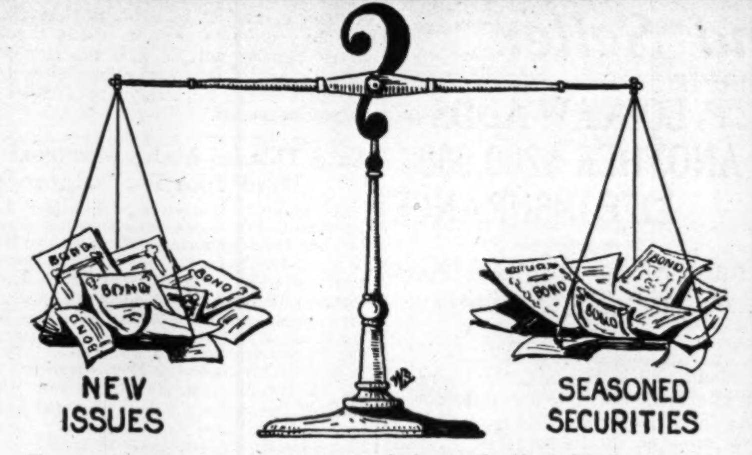
There is a popular fallacy prevalent among poorly informed investors that the price of a new issue includes the seller's profit as well as the cost of underwriting the new issue. Such investors feel that perhaps they are obtaining better investment values when they purchase a seasoned issue, whose market level is fixed solely by the appraisal of many individual investors.

The fact is, however, that the cost of underwriting a new issue as well as the seller's profit is borne by the borrower and not by the investor. That is to say, in negotiating the terms of a security loan (and likewise in the case of stock financing) the price is set by the open market price of similar "seasoned" issues. Any cost over and above this level is paid out of the pockets of the borrower. Obviously, if it were the practice for the investor to bear this cost, investors would ultimately turn exclusively to the seasoned issues for their investment needs and there would be no market for new securities.

It happens, of course, that the underwriting firm may err in fixing the price, but theoretically and in actual experience such errors are just as likely to be in favor of the investor as against him. For example, an issue is offered to the public at 96, because the underwriting firms find that issues of equal desirability sell at this level, or in the case of a bond on a similar yield basis. Should the issue prove to have greater attraction to investors than the open market issues of similar characteristics, heavy buying demand might push the market level higher. Conversely, if the underwriting firm over-estimates the "intrinsic value" of its proffered new issue, the price might ease off. However, investors cannot afford to jump at the conclusion that they have been taken advantage of merely because the price of their issue goes down or that they have been offered a "bargain" when the price goes up. For the trend of the securities markets affects new issues and seasoned issues alike. A new offering will rise in a rising market and ease off in a falling market—a factor that is largely beyond the control of the underwriting syndicate and in no way reflects on its ability to judge intrinsic values.

Is the Price Right?

In short, the advantage of selecting a seasoned issue rather narrows down to the single consideration that the buyer is not dependent on the judgment of the seller as to whether or not the "price is right." And, as in many instances the judgment of the "open market" is seen to be just as erroneous as the judgment of the average underwriting firm of integrity and experience in this line of finance, the advantage is a rather doubtful one. The shrewd investor will neither overlook the new offerings nor the market for seasoned issues in his search for good investment values.



The eternal problem of every investor is whether he should purchase new issues as offered to him or stick to the so-called "seasoned" securities.

Imperial Economic Unity

The Financial News, London, Eng.

When on the Continent some little time ago on the business of Imperial Chemical Industries, Sir Alfred Mond, M.P., found, as he afterwards stated, that among the leading men in continental industry it is now accepted as axiomatic that an economic union of Europe is not only desirable, but is bound to come about. The genesis of this line of thought is admittedly the prosperity and development of the United States. The U. S. A. form the largest economic unit of the modern world. Within their own borders, the greatest area of its kind in the world, both as respects agriculture and manufactures, the States have freedom from tariff barriers, a single language, and a single currency, and they are extending the powerful advantages of their economic unity by commercial treaties with other countries of the Western Hemisphere. This has thrown into relief in the minds of thinking men in Europe the handicap imposed by relatively small divisions. Two or three years ago, even, the notion of an economic unity of Europe would have been scouted as impossible. But there has been a rapid change of opinion. In place of being looked upon as visionary, the idea has come to be regarded as the, sooner or later, inevitable.

The Empire Industries Association has published Sir Alfred Mond's address on the subject in the form of a pamphlet, and for the reason that, looking forward, he envisages the world formed into great economic units. In the foremost rank he puts that of the U. S. A., that of Europe, and that of the British Empire, this last potentially the greatest of the three. This is the forecast, because, it is urged, if the British Empire does not form itself into an economic unit on its own account, its component parts must, from sheer commercial necessity, be attracted either into the American orbit or into that of Europe. In other words, unless the political nexus and the bonds of a common language and a common origin are strengthened by a sufficient economic nexus, they will not prevail against the centrifugal tendency. It may be thought that this is talking rather too much at large, but it is a reflection fully justified by the history of commerce. That history has been a record of the formation of always enlarging economic units. Much less than one hundred and fifty years ago France was divided into 16 provinces, and Germany into 360 more or less petty States, each with its tariff. This country took the lead in commerce, because it was then by far the largest and most powerful economic unit which had arisen in the European system. Neither the strength, which was the consequence, nor the drift was appreciated, but, glancing backward, it is now clear enough that in this lay one of the secrets of successful enterprise and adventure.

Considered economically, the tendency to hark back to the handicap of "relatively small divisions" is reactionary. There are active influences for it, but it is not the main flow of the commercial stream. Let the obstacles for the time being be what they may, the main movement is toward greater economic units, for the reason that the greater units have the greater power. The modern conditions and developments of industry, besides, are all in favor of the main movement. More rapid communication by sea and on land is in favor of it; present-day applications of science and discovery are in favor of it; settlement, and the opening up of new resources, agricultural and mineral, are in favor of it; great industrial plants, and all the better methods of production, are in favor of it. When all these things clash with the obstacles rigged up by localism, localism must go down, as provincialism went down.

And what of the British Empire as an economic unit? It comprises, Sir Alfred Mond reminds us, most of the still untenanted part of the world. But, though it is all that, its production, even now, is, in comparison with the production of the remainder of the globe, enormous. The following tabulation sets out some of the leading percentages:

	British Empire per cent.		Rest of the World per cent.
Wheat	27	..	73
Rice	66	..	34
Wool	77	..	23
Rubber	87	..	13
Cattle	53	..	47
Sheep	51	..	49
Gold	69	..	31
Silver	15	..	85
Tin	42	..	58
Zinc	30	..	70
Lead	23	..	77

In 1924 the overseas trade of the Empire amounted to £3,975,000,000, of which £1,659,000,000 represented inter-Imperial trade and £2,316,000,000 extra-Imperial trade. The one thing clear from these figures is the vast expansion which lies before Imperial trade if the objective of economic unity be kept in view. The great territories of Eastern and Central Africa alone could produce all the coffee, sugar and tobacco needed to meet the world's demands, besides a large proportion of the tea and cotton. It is a wide question, which has to be looked at not only from the standpoint of the trade of the Dominions and Colonies with this country, but from that of their trade with each other, and the relation of such an economic unit with other great units. The change, it is agreed, must grow. It is well, however, that the aim should not be obscure. The British Empire has all the makings of an economic unit grander and more complete than any that has yet dawned upon human vision. It offers a prospect which, compared with the present state of things, is wealth beyond the dreams of avarice.

Walter Baker Profits

Net profits of Walter Baker & Co., Ltd., after charges and taxes, for the first six months of 1927 amounted to $478,233, equivalent to $5.79 a share on the 82,500 shares of capital stock outstanding.

Business of Walter Baker consists of the manufacture and sale of cocoa and chocolate products. The company has one subsidiary, Walter Baker & Co., of Canada, Ltd., organized in Canada July 6, 1910, with an authorized and issued capital of $50,000 divided into 500 shares of $100 each, all of which are owned by the parent company. The Canadian company acts as a sales agent for the American company.

International Milling New Elevator is in Use

The Lake and Rail elevator at Buffalo, owned by International Milling Co. (Robin Hood Mills) is now in operation.

The elevator is one of the most modern ever constructed, according to an enthusiastic description written by the veteran marine editor of the Buffalo Courier-Express. It has an unloading capacity of 50,000 bushels an hour from the bigger lake boats and at the same time can load barge-canal craft or Welland Canal steamers at the rate of 30,000 bushels an hour, and freight cars at the rate of 75,000 bushels an hour. The two elevating towers are said to be the quickest in the port of Buffalo. The elevator has a storage capacity of 1,600,000 bushels of grain.

The new flour mill being built alongside the elevator will have a capacity of 5,000 barrels per day, which will give the company a total capacity of 22,000 barrels per day.

Present movements towards popularizing Manitoba barley in Great Britain are giving good promise, according to J. H. Evans, Deputy Minister of Agriculture.

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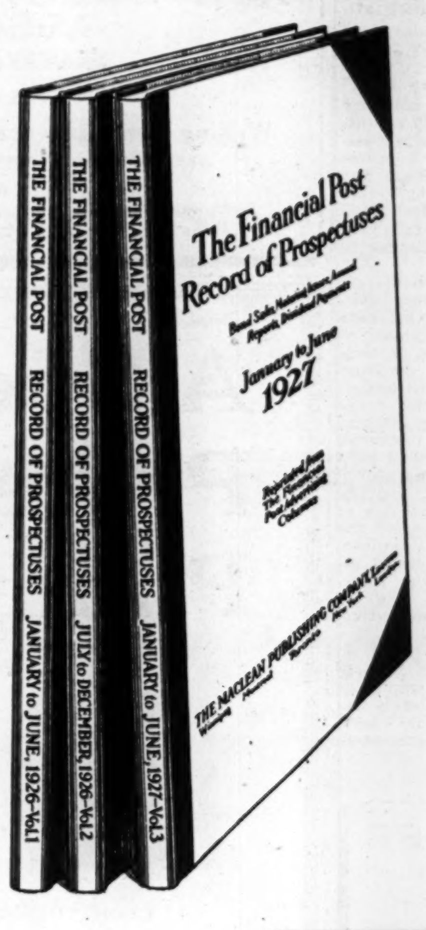
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"Prepare for Sunny Day" is New Sales Keynote

In spite of the cry that business men to-day are turning more and more to the lower-cost plans of life insurance, there is still a very considerable demand for the more complex and the more expensive types of insurance protection. This demand is undoubtedly being fostered and encouraged by the system of programming, which is one of the most effective weapons of the modern underwriter. For years life insurance has been sold in the "thousands." Premiums are quoted as per thousand of insurance and the policyholder has quite naturally fallen into the underwriting jargon and has said to himself, "I carry $15,000 of life insurance."

Gradually, the intelligent underwriter is throwing the focus point of his sales talk another generation ahead. He will no longer let the policyholder rest content in the false paradise of a $15,000 or $20,000 policy. Instead, protection is translated into much more practical terms and the prospective policyholder is brought face to face with the actual needs of his beneficiaries in the event of his death. The family budget is but one of many devices used to bring home to the policyholder the inadequacy of a lump sum policy, when beneficiaries must meet large regular monthly or annual payments in order to keep up, in any degree, the scale of comfort that at present exists in the policyholder's home.

Coupled with this idea of providing a regular monthly allowance to beneficiaries, there is also the possibility that the assured may want to reap for himself the benefits of his early thrift, and that quite apart from the "rainy" day, that he may like to have a nice assured source of income at a time when brain and body are beginning to relax. This "sunny day" feature of life insurance is one of the newest and most encouraging notes that have been struck for many a long day on the insurance keyboard. The gloomy prospect of foreboding that has formerly linked life insurance with the haunting spectre of the Grim Reaper, is giving way to a much healthier outlook that visualizes a prosperous old age where comforts and even luxuries may be indulged in, at the expense of the life insurance company, which has early engendered the lessons of thrift and foresight.

Monthly Income at 60

A rather unusual policy that provides for this contingency and which also offers a definite plan to provide a regular income to the beneficiaries, in case of death, is the insurance annuity which matures at age 60. The two important features of this policy are the payment of a monthly income to beneficiaries in case of the death of the insured, and for the payment of a definite monthly income to the assured if he attains the age of 60.

In case the policyholder who carries this type of insurance, should die before attaining the age of 60, there are two ways in which his beneficiaries may receive the benefits of his protection. Either they may be paid a regular monthly income for a period of ten years, or (at the request of the insured) they may receive a lump sum payment on the basis of $1,017 for a monthly income of $10, and pro rata for larger amounts of income. Whether or not this feature of the policy is taken as a monthly or lump sum benefit, the proposal is made to the policyholder on the basis of income rather than a lump sum of insurance, and the policyholder is made to see how poorly his so-called $15,000 or $20,000 policy will provide for his beneficiaries when it comes down to an actual monthly provision over a period of years.

The second feature of the policy contains provisions for the insured as soon as he attains the age of 60. Under this particular policy, as soon as the age of 60 is reached, the monthly income is payable to himself, throughout his lifetime, with a guarantee that 120 monthly payments will be made. If the assured dies before payments have been made for the guaranteed term of ten years, the remaining installments of income will be paid to the beneficiary if living; and if not living, to the assured's estate. If the beneficiary should survive the assured, but should die before payments have been made for ten years, the remaining instalments of income will be paid to the beneficiaries' estate, or as otherwise directed by the assured.

Protection in Two Directions

Thus the policy provides the advantage of monthly income insurance to the beneficiary, if the assured die, and also the equally valuable feature of such an income to the assured himself, so long as he may live beyond age 60. In other words, while the assured is paying premiums he is providing monthly income protection for his family and also for himself, beginning at an age, when most men are thinking of taking life a little less strenuously.

Commenting on this policy, the Dominion Life Assurance Company, in their monthly bulletin, makes these remarks:

"This policy is attractive to the young and old alike. For $510 per year the young man age 35 can secure for himself, if living at age 60, an income of no less than $1,200 per year as long as he lives. This is equivalent to an interest return of 6 per cent. on $20,000. In the 25 years during which he would be paying premiums he would pay in altogether only $12,750. During all these 25 years, had he died, the premiums would immediately cease and the company would begin at once to pay his beneficiary $100 per month for ten years. Should the beneficiary die before the ten years are completed, the remaining instalments will be paid to the heirs of the beneficiary or to such other beneficiary as the assured may designate.

The policy contains all the standard provisions such as 31 days of grace within which to pay the premiums, cash surrender values, paid up insurance, extended insurance, policy loan, automatic non-forfeiture, revival, incontestability, and there is no restriction as to residence, travel and occupation."

$200,000 Policy Is "Just Routine"

"Just a matter of business routine," says T. P. Loblaw, regarding the additional $200,000 of business insurance that was recently placed on his life by his firm, Loblaw Groceterias. "We felt that the protection was necessary so the board thereupon passed the recommendation." The company now has $350,000 of insurance on President Loblaw's life. A few years ago, business insurance was the exception rather than the rule. To-day, it is evidently passing into the category of "business routine."

Mill Owners Mutual Tie Up With Druggists

Another mutual fire insurance company has begun to make strides in the Canadian fire insurance market. This is the Mill Owners Mutual Fire Insurance Company of Iowa. This company is some 52 years old, but has only recently made serious attempts to write business in Canada. The company operates in Canada under a Dominion license, and is registered in all Canadian provinces except Prince Edward Island. It is estimated that its premium income this year from Canadian business will amount to about $200,000.

The company is issuing policies on both a cash and a profit-sharing basis, the rate of dividend on general business being 25 per cent. It is not a member of the Canadian Fire Underwriters' Association, but premiums on the dividend policies are written on the board basis.

The company at the beginning of the year showed total assets of $2,311,686, of which $908,000 was in first mortgage farm loans; $756,000 in bonds; and 192,000 in real estate. Total insurance in force amounted to $220,784,442, and the company has a policyholders' surplus of $994,856. The Canadian manager of the company is Norman S. Jones of Hamilton.

The company operates the official insurance service of the Canadian Pharmaceutical Association, the rate of dividend under the Pharmaceutical classification being 30 per cent.

Western Canners (Maritime) Limited at Berwick, N. S., formerly known as the Graham plant, is being completely reorganized in readiness to begin operations in both canning and evaporating in September.

T. P. LOBLAW ADDS ANOTHER $200,000 LIFE INSURANCE

Chain Store Magnate Now Carries Big Business Protection

About two weeks ago, the board of directors of the Loblaw Groceterias met in their board room and after a few minutes of deliberation, decided to add another $200,000 of business insurance on to that already carried by the firm on the life of their president, T. P. Loblaw. The firm now carries $350,000 of insurance on the life of their chief executive, and offers an additional example of the way in which business insurance is playing a larger and larger part in Canadian business.

The new insurance on Mr. Loblaw's life has been taken out in two different companies. Each policy is for $100,000 and one is with the Mutual Life of Canada, the other being with the London Life of Canada. Both are Canadian companies. Both policies are written on the term insurance plan, but they are not quite the same in that the London Life policy is written on a five-year term, with the option of being convertible in four years, while the Mutual Life contract is for a non-convertible three year term. The total premium on the two policies amounts to something like $4.100. In the case of the London Life policy, the premium increases each year.

Both policies were placed through Muntz and Beatty, insurance brokers, of Toronto.

The history of the Loblaw company which now extends throughout the Province on Ontario, the State of New York, and the City of Edmonton, Alberta, has been one of continual and rapid growth. In 1920, the company operated two stores in Toronto. To-day, after less than seven years of operation the parent company itself operates 50 stores, and in addition, there have been created two wholly-owned subsidiaries which operate another eight or nine stores. Sales in the parent company alone have grown in the seven years from about $500,000 to something over $10,500,000 per year. The guiding genius of the concern has been and still is the president, T. P. Loblaw, and it is a tribute to the efficacy of business insurance, that this firm is paying out over $7,000 a year to insure the life of its founder and chief executive.

The reason that the policies are all written on a term basis is probably found in the fact that the company is in the midst of a heavy program of expansion, which includes the building of a $500,000 warehouse on the new harbour waterfront at Toronto. All except one of the company's policies are convertible into ordinary insurance, and it is evident that the company expects that in about three years' time it will be in a position to consolidate its properties, and then to estimate more precisely its business insurance needs.

Auto Thieves Make Montreal Hard Spot For Insurance

According to statistics brought out by the Automobile Loss Investigation Bureau, the theft of automobiles in the City of Montreal has assumed alarming proportions within recent months. This organization is maintained by the insurance companies for the purpose of assisting in the recovery of stolen cars, and in the prosecution of thieves. The discussion took place at the annual meeting of the Bureau, and reference was made to the very optimistic remarks that had recently been made by Hon. Jacob Nicol, provincial treasurer of Quebec, on this subject. Mr. Nicol stated recently, that thieving had been materially reduced, but the discussion at the bureau brought out the fact that any advance that had been made in the past had been entirely spoilt by the exceedingly bad record of the past few months.

It was agreed that Mr. Nicol's remarks as to the improvement that had taken placed were correct as to 1926, and the early months of 1927, but, unfortunately, for various reasons there has been a recurrence of thieving during the past few months, which has already restored the bad records of previous years. Insurance men are evidently at a loss to account for the changed situation in view of the fact that so many of the old gangs have been broken up, and many individuals are now behind the bars.

Comment was also made at the meeting, upon the equally serious situation existing in Montreal in the matter of the theft of tires and spare parts of cars, members reporting over two thousand claims of this kind in 1926, costing upwards of $50,000. Many of these tires have been recovered by the police, but as few car owners take the trouble to record the numbers of their tires, ownership cannot be proved. The bureau made a strong plea that owners of cars would in future take the time and trouble to note the numbers of their tires when purchased, so that, if stolen, they would have a record of them, and thus be able to identify them if necessary.

Fairbanks-Morse Stock Touches New High Level

From Our Own Correspondent.

MONTREAL.—The 6 per cent., cumulative, preferred shares of the Canadian Fairbanks-Morse Company are gaining in investment favor and have over the past month or so steadily increased in price. The shares are at present 18 per cent. in arrears, but it is the intention of the management to maintain the regular 6 per cent. dividend and thus the amount of arrears will not be increased. In due course it is understood that arrangements for the liquidation of the $18 per share will be submitted to the shareholders.

Canada Steamship Lines Reduces Its Fixed Charges

From Our Own Correspondent.

MONTREAL.—The Canada Steamship Lines is purchasing $307,000 of its first mortgage debentures. Thus, the annual interest charges of the company will be reduced by $15,350.

The five per cent. consolidated debenture stock is the senior obligation of the company and ranks ahead of the six per cent. first and general mortgage bonds. The last balance sheet showed that there was $4,527,905 of the senior obligation outstanding.

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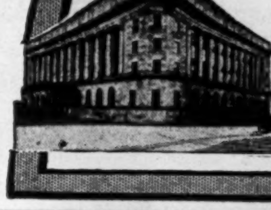

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Current Events in Banking World

MANY DIFFERENCES IN BANKING CUSTOMS HERE AND IN U.S.

But Banks There Earn Large Profits, It Would Seem

In the state of Montana, a new banking law has just been enacted, fixing definitely the liabilities in connection with items lodged with a bank for collection, which will be of general interest.

Under it, when a cheque, note, drafts or negotiable instrument is deposited with a bank for collection, the bank may send such item to the bank upon which drawn, or at which it is payable, and it may accept a bank draft in payment of, or in remittance for such item, and neither the forwarding bank nor its agent, using due diligence, shall be liable for any loss resulting from the acceptance of the bank draft in lieu of cash, nor the failure of the drawee bank to remit for such item, nor for the non-payment of a bank draft accepted in payment of or as a remittance from the drawee bank. The obligation of the maker upon any such cheque, note, draft, or negotiable instrument shall not be discharged by the charging of such item to him on the books of the drawee bank, or by the surrender of any such item to him by the drawee bank, unless or until such remittance draft be paid.

Bank Is Only Agent

This puts it up to the parties to the item and relieves the bank from the responsibility, as their agent.

In the United States, when cheques on out-of-town points are deposited, it is not the general custom to allow the payee the use of the funds until the bank has had time to collect the item. The cheques are cleared in the usual course, generally through the Federal Reserve bank of the district, which does not give credit until the item has been realized, but no charge is made by it for this service. The bank may collect for its customer without charge, but the usual custom is to hold the funds until credit is received. Under such conditions, where the customer receives service at such small cost to him, it seems only fair that he should relieve the agent of responsibility, and this the Montana act now definitely declares shall be done.

Different Practice in Canada

Banking practice in Canada had developed along slightly different lines from that in the United States, and while the phrases used in the two countries are very similar, the meanings attached are not always the same. The terms, cheque, draft, or note mean in our country what they do in the other, but the terms, "par collection," "trade paper" and "savings deposit," for instance, convey quite different meanings north and south of the border.

In Canada, the term "par collection of cheques" means that the depositor will receive credit immediately for cheques deposited by him. In the United States, the term generally refers to the custom of the Federal Reserve Banks, which collect for their member banks without charge cheques on out-of-town points lodged with them for collection, but credit is not given by the Federal Reserve Bank until the cheques have been actually collected by them, and the time the depositing bank must wait for credit will range from one to eight days, depending on how distant the point of collection is. Each Federal Reserve Bank issues a printed schedule of the various districts, cheques on which may be sent to them, and stating the number of days in each case which must elapse from the date of receipt until the funds are available to the depositing bank. This bank in turn may, of course, give its customer immediate credit, but the general practice is either to hold the funds, while the item is in transit, or to retain a free credit balance sufficient to cover any such items in transit. Also the bank has the right to make a charge for handling, or it may, as the banks do here, charge a commission on the item, sufficient to cover the handling charge and interest at current rates, while the item is outstanding.

Fewer Drafts Over There

Consider the term "collection of drafts." These are not used in the United States to the extent they are in Canada as a means of settling trade accounts, because of the general custom in that country of carrying trade debts on open account, the debtor remitting by cheque when the account is due. When drafts are drawn, the usual custom of the United States banks is to collect a per item handling fee when the drafts are lodged for collection and to credit the depositor with the face amount of any drafts collected, less any charge made by the agent to which they were sent for collection.

It is not the custom for banks to accept for discount unaccepted bills, unless these have documents attached, evidencing a trading transaction. Unaccepted drafts are not completed contracts.

Meanings of Trade Paper

"Trade paper" in Canada means, in general, bills drawn on customers for goods sold them by its customer, and discounted by him with the bank.

In the United States, because of their different methods of trade settlement, this is only a small part of the trade paper, which may be discounted by member banks with the Federal Reserve Banks.

Trade paper, as they understand it, would include loans against warehouse receipts, as well as notes given in settlement of trade accounts.

Trade paper also includes drafts drawn under letters of credit issued by foreign banks on United States banks in favor of American exporters. These bills, when accepted by the bank upon which drawn, are available for re-discount with the Federal Reserve Bank by the holding bank.

Must Represent Mercantile Accounts

In connection with the American trade paper for re-discount with the Federal Reserve banks, the rules are that their advances must represent mercantile transactions, and guaranteed by the bank, which must lodge with the Federal Reserve Bank a certified financial statement of the obligant, bearing date of the current year. This statement must show that the obligant's current assets are, at least, double his current debts, and that his total surplus is equal to his total debts.

Also the bills may not have a longer maturity than 90 days. Farmer's notes in connection with the growing of grain or the fattening and raising of cattle, with a maturity of six months, are also eligible for rediscounts.

No Cheques on Savings

"Savings accounts" in the United States are not as they often are in Canada, young current accounts, against which the depositor may and does not issue cheques. Cheques against savings accounts are not permitted in the United States, and a savings bank depositor there, when he wants to withdraw any of his funds, presents himself at the savings bank with his passbook and draws the cash.

If a customer there wants to issue cheques, he must make arrangements to open a current account for that purpose, and in many of the banks a stipulated balance, in some cases a minimum of $600 must be maintained, interest at current rates being charged on any deficiency. In others, a monthly service charge is made, unless an adequate free balance in collected funds is maintained.

Do Not Like Over-Drafts

Over-drafts are strenuously objected to. The Federal Reserve Act forbids a bank to over-certify, and holds the officers who permit it personally responsible. Some American courts have held that the granting of loans by way of over-due drafts is not the proper conduct of a bank, and while there is a difference of opinion as to whether over-drafts are actually illegal, bank examiners, both state and federal, criticize the practice so severely that, while some do creep in, they are actively discouraged, and the public do not expect consideration when their cheques are presented before the funds are deposited. One very frequent reason, therefore, nonpayment of cheques is said to be "Funds not yet cleared."

In all words down to the same thing in both countries, the public must pay for the service they want. Some think the American system is more equitable, but that is entirely a matter of opinion. However, it seems to produce larger profits for the banks, as judging by the published returns, the banks in one state earned on the funds employed nearly twice the percentage earned by Canadian banks.

Staff Gossip

Ramsay Thoms has been transferred to the Eston, Sask., branch of the Standard Bank.—Record, Fort Saskatchewan.

• • •

Edward Thompson, accountant in the Dominion Bank at Kenora, Ont., for three years, has been transferred to Saskatoon.—Times, High River.

• • •

F. A. McCallum, who succeeds John Galt as manager of the Prince George, B. C., branch of the Bank of Montreal, has arrived in the City.—Citizen, Prince George.

• • •

The Dominion Bank has opened its second branch in Windsor on August 18, at the corner of Wyandotte Street and Ouelette Avenue, A. M. Cowie announced. C. T. McConnachie, present assistant to A. M. Cowie, manager of the first branch, goes in the new branch as manager.—Star, Windsor.

• • •

John Galt, former manager of the branch bank of the Bank of Montreal, Prince George, has assumed his new duties as manager of the Rossland branch of the Bank of Montreal, succeeding E. E. L. Dewdney, who was transferred to the managership of the Trail branch.—Miner, Rossland.

Two New Branches Opened in West by Bank of Toronto

The Bank of Toronto has opened a branch at Tenth Avenue and Alma Road, Vancouver, B. C., under the management of A. R. Lavell, formerly of the Victoria branch.

The bank has also opened a branch at Monkman, Alta., under the management of A. K. Robertson, formerly of the Swan River branch.

Maple Leaf Milling Erects Warehouse in Saint John

John Flood & Sons have been awarded a contract for the erection of a new warehousing and distributing plant of the Maple Leaf Milling Co., Ltd., in Saint John. Construction work on the new building, which will be one storey high, 100 feet long and 80 feet wide, will start at once. Flour will be stored in the building for Maritime distribution by both rail and water. The Maritime offices of the company, under the direction of G. W. Stepan, also will be located in the building.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Aug. 12, 1926	Aug. 11,1927
St. John	$ 2,554,044	$ 2,710,557
Halifax	2,837,132	2,770,180
Moncton	822,868	897,912
Sherbrooke	968,088	922,534
Quebec	......	6,076,195
Montreal	103,097,310	100,367,186
Ottawa	5,856,424	6,123,240
Kingston	763,759	746,447
Peterboro'	......	733,493
Toronto	97,074,812	96,524,401
Hamilton	5,008,603	4,906,771
Brantford	951,562	1,060,631
London	2,545,437	2,844,893
Kitchener	1,014,622	991,755
Chatham	764,143	771,889
Windsor	3,332,460	4,756,403
Sarnia	910,959	685,594
Western Cities	**Aug. 12, 1926**	**Aug. 11, 1927**
Fort William	915,153	1,114,786
Winnipeg	50,174,344	51,476,665
Brandon	633,039	594,977
Regina	4,449,683	5,942,922
Saskatoon	2,414,115	2,417,015
Moose Jaw	1,160,740	1,208,214
Prince Albert	347,676	375,081
Lethbridge	557,667	542,066
Calgary	7,115,084	7,856,681
Edmonton	4,974,808	4,178,463
Medicine Hat	225,681	272,272
Vancouver	16,297,375	18,063,104
Victoria	2,048,403	2,400,558
N. Westminster	752,520	823,375

Canada's Canning Industry

The government return on the fruit and vegetable packing industry for 1925 shows that 36 additional plants came into existence in that year, an increase of 13.5 per cent., and that in the period fixed capital increased over 7 per cent. and gross production by over 12 per cent. Total capital invested in the industry was $16,665,373, the average capital for plant $101,532, the gross value of production $30,339,117 and net value $13,289,371.

APPRAISALS REPORTS
INVESTIGATIONS
Industrials—Public Utilities—Natural Resources

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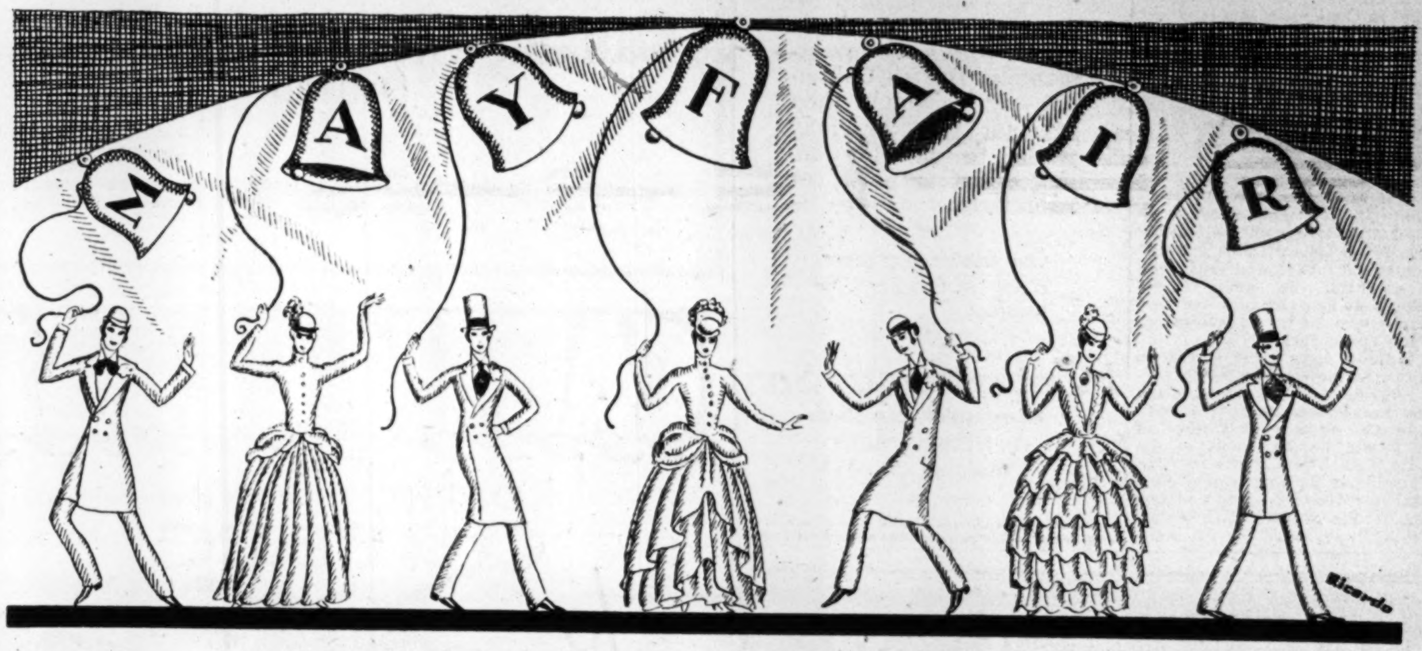

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Investment Trust Must Have World Connections

The widespread interest in investment trusts, that is developing in Canada, shows itself in a number of ways. During the past week, a number of comments have come to The Financial Post on the article published last week on investment trusts, in which some critical comments were made by Peter Watson. Representatives of two American groups, one in New York and one in the Middle West, interested in the investment trust idea, inquired for further information on the points raised.

An Englishman interested in investment trusts wrote the following comments on the article, asking, however, that his name, which was given to the editor, be not used:

"Referring to the able article under the nom-de-plume of Peter Watson, appearing in The Financial Post, of last week's issue, while agreeing with it in general and in principle the writer believes that it contains certain unsteady passages.

"The danger lies, the author writes, at this time, in the securities of trusts being looked upon more as a means of profits than as sources of income. This is correct and incontestable, but a little way back he had said, 'that the informed financial man is not quite convinced is indicated by the wariness with which the listing committee of the New York Stock Exchange goes about the consideration of including securities of investment trusts among their listed stocks and bonds. Is he not wrong here? The desire of any investment trust worthy of the name is to prevent the danger that 'Peter Watson' refers to and, for this reason, it is believed that he will find on closer examination of facts that few, if any, of the important investment trusts now operating in the United States have applied to the committee for listing on the New York Stock Exchange.

"No investment trust is listed on exchanges but an 'over the counter' market is maintained and, as with American insurance companies and New York bank stocks, 'bid' and 'asked' quotations are given daily in the financial press, including 'The New York Times' and 'Wall Street Journal.' It would appear, therefore, that perhaps the 'wariness' exists only in the mind and imagination of your correspondent.

"At the end of 'Peter Watson's' article he hints that the success of some of the trusts now operating may be due solely to the long bull market that has continued. In the case of certain trusts operating on unsound lines this is probably correct, but the well managed investment trust would long since have been to a very great extent 'out' of the New York Market and 'in' to markets abroad where depressions have recently existed and others where depressions exist to-day.

"One often hears the question asked, what will happen to (say) International Securities Corporation of America when the United States security market slumps? Can the trust operate successfully in bear markets? As a matter of fact, the trust is buying in bear markets somewhere in the world all the time and a bear market in the United States would simply mean more opportunities for it to buy high grade securities at low prices.

"An investment trust must buy, at somewhere near their low records, securities that have previously been approved for purchase when and if circumstances drive them down to a calculated price. And such securities must be bought all over the world in countries of national stability. For this purpose an elaborate and expensive economic, statistical and analytical organization is a sine qua non to a sound investment trust, and it is this essential that many trusts formed recently so signally lack and that some of those now under consideration in Canada are apt to lack.

"'Peter Watson' lays great stress on the necessity of following British precedent, and rightly so, but in common justice must he not also look for British precedent in the success or failure of investment trusts during times of depression. He is doubtless aware that the great war itself had an almost negligible effect on the dividends paid to common stockholders by the great British trusts. On the 16th of June, 1927, The Financial Times of London, published an abstract of the previous year's results obtained by 25 English trusts; 'Steady Improvement in Revenue' was the sub-heading—and this in the year of coal and general strikes!

"In commenting on this abstract, the well known United States authority, Dr. L. R. Robinson, vice-president of International Securities Corporation of America and president of Second International Securities Corporation, was quoted in the New York press as follows:

"'The remarkable dependability of investment trust earnings coupled with consistent increases over a period of years in their dividend rates explains the high prices generally obtaining for their common shares, the average yield at current prices and dividend rates being only 5½ per cent. A careful study of the earnings of these trusts shows hardly any reflection of the current trade depression in Great Britain. The reasons for the enviable record shown by these investment trusts are the truly cosmopolitan and international character of their investments, the constant supervision exercised over them, the moderate use of their debenture issuing power, and their consistent building up of reserves'."

In connection with the point raised by Peter Watson and discussed by this correspondent, that the bull market in New York has helped the trusts it is significant to note that well informed New York reports are to the effect that a number of American trusts are now liquidating quite extensively some of their New York holdings.

Dominion Laundry Co. Business is Expanding

From Our Own Correspondent.

MONTREAL.—The directors of the Annex Realty Corporation, owning and operating the Dominion Laundry Company, announce that arrangements are now being made which will enable the latter company to handle practically double its present business. The company recently opened 163 branches throughout the city of Montreal to act as receiving and shipping stations, and these are proving successful. The company's plant is now working at full capacity and, as the establishment of many new branches is imminent, facilities to take care of the expanding business will soon be required.

Production of newsprint in July ran to 162,564 tons and shipments to 159,843 tons, while the seven months' production ran 103,443 tons or ten per cent. more than that of the similar period of last year. During July the mills ran 80.5 per cent. of capacity.

Western Investments

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

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DID YOU GET YOUR SHARE?

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At the present time, we strongly recommend a **LISTED** stock, representing a **WORKING** property and selling right now below **TEN CENTS**, which we certainly believe has a brilliant chance to make good.

If you are interested in mining, and would like to know what this stock is, and why we recommend it, write your name and address on a post card, and mail it to us.

This does not obligate you to us in any way. **On listed and unlisted securities our means of obtaining the most reliable information assures you of that protection which conservative investors appreciate.**

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A Lively "Dead Heart"

Toronto Globe.

Much ink has been used in recent years in trying to convince the people of other lands, particularly Great Britain, that the rocks of Northern Canada are rich in mineral wealth, and that the land as a whole which lies north of the latitude of the Great Lakes is not the worthless wilderness it was once considered. It appears that some missionary work remains to be done at home.

The Financial Post very properly protests against the estimate of the North contained in an article recently published in The Canadian Historical Review, a publication which bears a close connection with the University of Toronto. The following extract contains the misleading information which calls for the complaint:

> While to the north and northwest of Lake Superior there lies only a continuation of that endless dreary waste which forms the dead heart of the eastern half of Canada, to the south of Lake Michigan there is a land of far greater possibilities.

What modern Rip Van Winkle has been sipping at a keg and uttering these sentiments on his awakening twenty years later? In fact, his sleep must have been longer than Rip's, for the North has been developing for over forty years, and hints of its mineral wealth have been heard for half a century or more.

The "dead heart" is very much alive. It is dotted with gold, silver, nickel and other mines in Ontario, with one of the great copper mines of the world in Manitoba, and new important camps are being discovered almost every year. Its sparkling waterfalls are being harnessed, its lonely woods are echoing to the sound of the axe and the mill, and its products to the value of hundreds of millions a year are going out to the towns and cities of Canada and other lands.

Dead indeed!

Approve Reorganization of Standard Chemical

Preference and common shareholders of Standard Chemical Co. have approved the scheme of reorganization of the company whereby the company will have only one class of stock—that a common of no-par value.

Holders of preference stock will get one share of new stock for each share held. The holders of common stock will get one new share for each ten of the old held.

The company has been in difficulties since the close of the war when it found itself with a manufacturing capacity many times the marketing possibilities for its products. Deflation has been completed, however, and with the elimination of the drag of arrears of preferred dividends, it is hoped that dividends may be forthcoming soon on the new stock.

Many of the shareholders of the company are in England.

Ask the Canadian Pacific about Canada
CANADIAN PACIFIC RAILWAY

BUREAU OF CANADIAN INFORMATION

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DEVELOPMENT BRANCH—If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

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LIMITED

ANNUAL REPORT, 1927

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W. G. E. Aird, Three Rivers, P.Q.
R. N. Ball, Woodstock, Ont.
Wm. I. Gear, Montreal, P.Q.
Wm. Harty, Jr., Kingston, Ontario.
Hugh Mackay, K.C., Montreal, P.Q.
Jas. W. Pyke, Montreal, P.Q.
C. R. Whitehead, Three Rivers, P.Q.

OFFICERS

C. R. WHITEHEAD, President and General Manager.
JAS. W. PYKE, Vice-President.
JAS. R. RITCHIE, Secretary-Treasurer.

MANAGER

W. G. E. Aird, Three Rivers, P.Q.

Directors' Report to the Shareholders

Gentlemen:—

Your Directors have pleasure in submitting herewith Balance Sheet as at 30th June, 1927, together with Profit and Loss Account for the year ending that date.

The result of the year's operation is fully set forth in the appended Profit and Loss Account, from which it will be observed that, after making provision for all charges, including Bond Interest and Sinking Fund, and setting aside $150,000.00 for depreciation of Property and Plant, the net profit amounted to $272,917.57. From this there have been paid during the year, dividends at the rate of Four Dollars ($4.00) per share, amounting to $140,000.00. Bonuses at the rate of One Dollar and Fifty Cents ($1.50) per share, amounting to $52,500.00, and $4,797.00 Interest on cash received on account of New Stock Issue has been accrued, and the balance of $75,620.57 has been added to the Surplus.

At a Special General Meeting of the Shareholders held on the 24th day of February, 1927, a By-Law was approved authorizing increase of Capital Stock by 70,000 shares of no par value, of which 17,500 shares of no par value were issued to the Shareholders of record of 15th March, 1927, at a price of $60.00 per share, payable in six equal instalments, last payment being due 1st October, 1927. This leaves a balance of 52,500 shares in the Treasury. The proceeds from the issue of the new stock have been used or are available for plant extensions and the general purposes of the Company.

In submitting the Balance Sheet, your Directors feel that the results they are able to present should be very satisfactory to the Shareholders.

Respectfully submitted on behalf of the Directors.

(Sgd.) C. R. WHITEHEAD,
President.

Three Rivers, Que., July 29th, 1927.

BALANCE SHEET

As at 30th June, 1927

ASSETS

Current Assets—			
Cash on hand and in Bank		$57,766.98	
Victory Bonds, Call Loans, etc.		614,654.00	
Accounts Receivable and Bills Receivable, less Reserve for Bad and Doubtful Debts		625,392.07	
Inventories of Raw Cotton, Partly Manufactured, and Manufactured Stock, Supplies, Chemicals, etc.		829,428.02	
			$2,127,241.07
Cash in Hands of Trustee for Sinking Fund			13,709.73
Property:—			
Real Estate, Buildings, Plant, Machinery, etc			3,646,734.96
Investments:—			
Bonds of St. Maurice Valley Cotton Mills, Limited, at Cost	$ 43,794.53		
Bonds of Wabasso Cotton Company, Limited, at Cost	9,865.12		
Bonds of Shawinigan Cotton Company, Limited, at Cost	47,680.00		
Stock of Shawinigan Cotton Company, Limited, at Cost	96,660.00		
Sundry Investments at Cost	55,720.00		
		$253,719.65	
Pledged as Collateral Security for $750,000.00, 20 year, 7% Collateral Trust Gold Bonds:—			
Bonds of St. Maurice Valley Cotton Mills, Limited, at Cost	$722,619.00		
12,500 Shares of $100 each of St. Maurice Valley Cotton Mills, Ltd., Common Stock, being the whole issue	1,250,000.00		
		1,972,619.00	
			2,226,338.65
Deferred Charges:—			
Bond Discount and Unexpired Insurance			50,000.07
			8,064,024.48

LIABILITIES

Current Liabilities—			
Accounts and Bills Payable		$694,717.51	
Bank Loans, secured by Cotton and Victory Bonds		200,000.00	
Operating Expenses, Accrued Wages, etc., and Reserve for Government Taxes		266,432.80	
Bond Interest Accrued		11,941.66	
Unclaimed Wages		2,500.00	
Dividend and Bonus payable 2nd July, 1927		52,500.00	
Accrued Interest on New Stock Payments		4,797.00	
			$1,232,888.97
St. Maurice Valley Cotton Mills, Limited:—			
Loan			486,646.24
First Mortgage 6% Bonds Due 1st June, 1947—			
Authorized and Issued		$1,000,000.00	
Less Redeemed for Sinking Fund	$170,000.00		
Held in Treasury	19,000.00	189,000.00	
			811,000.00
Mortgage and Collateral Trust Sinking Fund 7 per cent. Bonds, Due 1st May, 1942—			
Authorized and Issued		$750,000.00	
Less Redeemed for Sinking Fund		74,000.00	676,000.00
Reserve for Mortgage and Collateral Trust Bond Sinking Fund			87,709.73
Reserve for Depreciation			1,167,751.95
Liabilities to Shareholders:—			
Capital Stock:—			
Authorized: 105,000 Shares of No Par Value			
Issued: 35,000 Shares—fully paid		1,750,000.00	
17,500 Shares on which has been paid up		602,888.00	
		$2,352,888.00	
Surplus—			
General Reserve	$500,000.00		
Profit and Loss Account—			
Balance as per Statement attached	$749,139.59	1,249,139.59	3,602,027.59
			$8,064,024.48

Contingent Liabilities $365,719.00

Montreal, 29th July, 1927

TO THE SHAREHOLDERS OF THE WABASSO COTTON COMPANY, LTD.,
Three Rivers, Que.:—

We have examined and audited the Books and Accounts of The Wabasso Cotton Company, Limited, for the year ended 30th June, 1927, and beg to state that we have obtained all the information and explanations required by us and, in our opinion, the accompanying Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of the information and explanations given to us, and as shown by the Books of the Company.

The various investments held by the Company have been verified by us by personal inspection or by certificates from the depositaries.

The Inventories of Stock on hand have been certified by responsible Officials of the Company, and have been valued on a conservative basis.

JAS. W. PYKE, C.R. WHITEHEAD, Directors. Verified as per our report of this date.
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

PROFIT AND LOSS ACCOUNT

For the Year Ended 30th June, 1927

Profit for the year ended 30th June, 1927, after deducting all Manufacturing and other Charges and Expenses, also provision for Income War Tax, but before providing for Depreciation, Bond Interest and Sinking Fund		$456,920.43
Interest on Investments		82,041.67
		$538,962.10
Depreciation on Property and Plant	$150,000.00	
Bond Interest	96,284.53	
Sinking Fund	19,760.00	266,044.53
Net Profit		$272,917.57
Add Balance at Credit 30th June, 1926		673,519.02
		$946,436.59
Deduct Dividends for the year at the rate of $4.00 per share	$140,000.00	
Bonuses for the year at the rate of $1.50 per share	52,500.00	
Accrued Interest on payments on account of New Stock Issue	4,797.00	197,297.00
Balance at Credit carried to Balance Sheet		$749,139.59

Verified:—
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.,
Auditors.

Montreal, 29th July, 1927.